

398. And you have not gone further and made any calculation showing the amount the Customs here would lose by inter-State free-trade—by our admitting spirits and tobacco manufactured in Australia?—No, I have not.

399. To make good that contribution, and also that loss to which I have referred, it will be necessary to impose some sort of direct taxation, possibly by increasing the land-tax: do you think the benefits the farmers would derive by free-trade with Australia would more than counter-balance the increased taxation they would have to pay?—I fear that they could not stand much more.

400. As regards our securities, I do not know whether your attention has been directed to the fact that the New South Wales $3\frac{1}{2}$ -per-cents have stood about £6 lower than ours: do you think that the anticipation of the Commonwealth borrowing largely has already had an effect upon the New South Wales securities?—I think it is highly probable. I feel quite sure, myself, that federation with Australia would not benefit our borrowing-powers. I take your question to mean, would federation increase our ability to borrow at a low rate of interest? I do not think it would. I think it would have quite the reverse effect.

401. You cannot see any advantage in the Commonwealth being behind our loans?—No, not for many years to come, because I think the requirements of the Commonwealth will be so large that it will have the effect of depreciating other loans. They must have the money; they cannot work that Commonwealth without going in for an enormous expenditure.

402. I think Mr. Barton has already said that they want £8,500,000 almost immediately?—That will keep them going but a very little time. That is an exceedingly moderate estimate.

403. Then, you laid great stress on the distance that separates New Zealand from Australia?—Yes.

404. Do you think that twelve hundred miles of sea would operate injuriously in regard to our young men obtaining employment in the Federal Civil Service?—Yes, I think it would, and that the Federal Civil Service would fall almost entirely into the hand of Australians.

405. You think the politicians there would be subject to local influence, to the prejudice of the youth of our colony?—I think so.

406. *Hon. Mr. Bowen.*] You gave us your opinion, Mr. Vaile, on the business capacities of young Auckland: well, if we were to remain as we are, what do you think would happen to the poor fellows from the less intelligent provinces of New Zealand?—I am not competent to answer that question; but I can assure you that the youth of this country are about as keen as any men I have known to do business. I do not know whether soil and climate has to do with it, but the Maori is a "hard case" at a bargain.

MATTHEW ANDERSON CLARK examined. (No. 137.)

407. *Hon. the Chairman.*] What are you, Mr. Clark?—A merchant in Auckland.

408. How long have you been in business in New Zealand?—Since 1868.

409. You are president of the Auckland Provincial Industrial Association?—Yes.

410. How many members are there in that association?—About seventy.

411. Have they collectively considered the question of federation?—They have not.

412. Will you please give us your individual opinion on the matter?—I have thought over this question a good deal, but I have not been able to get all the facts and figures that I should like to enable me to form a correct opinion on it; but my opinion is that, on the whole, for New Zealand to go into federation would be very prejudicial. I think that financially it would be a mistake, as the contribution that New Zealand would require to make out of the Customs duties would be a very heavy strain upon the finances of the colony, especially after the five or ten years have elapsed, at which time the Commonwealth has power to take all the Customs. My opinion is the same as Mr. Vaile's—that when the ten-years limit is over, that gradually the Federal Parliament will absorb the whole of the Customs revenue. As Mr. Vaile stated, we find that in the early days the Provincial Councils of New Zealand were to be allowed seven-eighths of the Customs revenue, but gradually, from time to time, the New Zealand Parliament took the whole of that seven-eighths from the Provincial Governments. Then, I think that, as many of the business arrangements of the Commonwealth are to be managed by the Federal Parliament, owing to our distance from Australia we would be neglected. I do not think that the general body of the Australian representatives would know anything, or care anything, about New Zealand or her requirements. We in Auckland have thought for many years, that we have a grievance even when we are separated by a two-days journey from Wellington, and that will be much more accentuated if the distance were four or five days, as it is in the case of Sydney from here. Then, as regards manufactures and industries, I consider that they will be very seriously injured, on account of the up-to-date machinery and large establishments that the Australians can run in the big centres, and which enable them to be manufactured more cheaply than most of our industries can. There are some few industries here that no doubt could hold their own, but for the most part they would be very much injured. Then, as regards the farmers, my own opinion is that they would not benefit so much with free-trade with Australia as some of them think. I remember the time when the farmers in Auckland were very much aggrieved at the millers here, because they imported practically the whole of the wheat which was consumed in the north from South Australia. At that time there was a very small duty on Adelaide wheat, from which Auckland Province got the bulk of its supplies. Then a duty was put on, and now the wheat comes from the South Island; but I think, if the duty were taken off again, it would again come in from South Australia, as one miller told me that Australian wheat was worth £1 a ton more than New Zealand wheat, and that the flour was better in the sense that it would absorb more water, and that a baker could therefore make so many more loaves from the flour made from the Australian wheat than from the flour made from the New Zealand wheat.

413. Have you given any attention or consideration to what would be the effect upon the manufacturing industries of New Zealand if we federated?—Yes; I might say that we employ about four hundred hands ourselves, and therefore it has been a matter of considerable importance to us, and we think that the industry all round would be very much injured by federation.

414. Why?—In Australia they have large establishments, the very latest machinery, and can turn out immense quantities. They employ a great many more hands than we do, and can therefore afford to sell for less than where the establishment is only a moderate-sized one, and the management expenses are very nearly the same for a small business as they are for a large one.

415. Have you considered how it would affect the agricultural interests?—I think that, on the whole, the agricultural interests have as much to fear from Australia as they have to benefit from it. As far as I can learn from reading the Australian produce reports, they have there everything they require in abundance. They export large quantities of wheat, and butter especially, as well as wool.

416. What do you think would be the effect on trade generally between Australia and New Zealand if New Zealand federated?—Of course, there would be a large increase of trade between Australia and New Zealand, but whether it would pay New Zealand for the loss of revenue is a different question.

417. Would that interchange of trade be to the benefit of Australia or New Zealand?—Of Australia only.

418. *Mr. Roberts.*] You have not studied the Commonwealth Act, have you?—I have read it two or three times.

419. You remark that here the factories are rather handicapped in being small establishments?—Yes.

420. Do you look forward, in the event of federation with Australia, to the wages of the colonies becoming equalised?—I do not think they would. I think it would be very difficult to assimilate the wages under our Conciliation and Arbitration Act.

421. But do you not think that in the case of federation our Conciliation and Arbitration Act would probably find a place on the statute-book on the other side too?—I doubt it very much.

422. Do you not think it is most likely that Australian legislation would follow the lead of this colony in such a direction as that?—Yes; but I think they would find it almost impossible to carry out the provisions of the Act.

423. Why more so there than here?—Because Australia has very large centres, and I think it would be possible to evade the Act much more easily in the large centres than in the small ones.

424. Then, do you not look forward to the time when the wages would be equal, so that the industries here would not be handicapped to that extent?—I think the industries would be lessened here, and the cheap wages would draw the bulk of the trade to Australia; but, even if the wages were even, the fact of their larger establishments, and having a larger labouring-population to draw upon, would enable them to compete more economically for the trade than we could.

425. But, if the wages were equal to ours, could not a manufacturer here extend his establishment, and so produce as cheaply as they can on the other side?—Not at the present time. We find it very difficult to obtain skilled labour in industries such as shirts and clothing, whereas in Londonderry there are thousands of skilled hands idle. I believe the same thing would occur in large centres such as Sydney and Melbourne.

426. Have they the same difficulty in Australia in getting labour?—I do not know.

427. I suppose the conditions of labour are somewhat different?—I do not know what they are now, but some years ago there was an inquiry, and it was proved that the state of things prevailing in the clothing trade in Melbourne was second only to what it was in the east end of London.

428. *Mr. Millar.*] Have you looked at this question from the point of view that there might be a lower tariff than now?—Yes.

429. How would that affect the industries of this colony?—There is a varying tariff now from 27 to 27½ per cent.

430. But even with that tariff you imported into Auckland slops to the value of £3,713, and even if that tariff were merely 10 to 15 per cent. I presume you would get further competition?—A very great deal more. I do not think we could stand against a 10-per-cent. tariff.

431. You see that Mr. Lyne has outlined a 10- to 15 per cent. tariff?—With 10-per-cent. none of the industries could exist here.

432. You do not anticipate that we could compete with Australia if we had federation?—I do not think that many of our industries could. I think in our own particular industry we could possibly hold our own, because we have established it on a fairly large scale, and we have the machinery; but with smaller industries I do not think it is at all possible.

433. *Mr. Beauchamp.*] Under inter-State free-trade, do you think we should have much competition from distributing-houses in Australia as well?—I remember, when I was on the road, that nearly every house in Australia had two or three travellers travelling in New Zealand, and under the low tariff they did the bulk of the trade in some parts of the colony, especially on the west coast of the South Island.

434. With an absolutely free tariff, there would be a larger number of travellers from Australia, you think, here?—Yes; and the duties would be paid in the Australian Colonies. They have the advantage of the freight from England to Australia being much less than it is to New Zealand, therefore they could quote a trifle less than New Zealand could on that account; and, again, the freight from Sydney or Melbourne to any part of New Zealand was for many years less than the freight from one part to another part of New Zealand. It was actually from Sydney or Melbourne less to any part of New Zealand than it was from Auckland to Dunedin or from Dunedin to Auckland. I do not know how the Australian freight stands now.

435. *Mr. Luke.*] You say that the centralisation of these large industries cheapens the production?—That is so.

436. There would not be many concerns in your line of business much behind yours in Australia?—I do not know what there are in Sydney, but I know there are two or three factories in Melbourne each of which would be larger than ours. At times they go up to five and six thousand employés, and if the trades were centralised in Victoria or Sydney they would all probably rise to the same number.

437. I wish to ask your opinion, whether, under federation, we should not cheapen the cost of administration?—My own opinion is that Governments always spend as much money as they can.

438. Do you think the manufacturers of New Zealand could not compete against those in Australia?—No.

439. Not even the woollen industries?—Some of them might; but I think, on the whole, they would be very much injured.

440. Do you not think the result of federation would be to raise the standard of social life, increase the wages, and reduce the hours of labour; and with those equalising conditions should we not be in a position to compete with the Australians?—I doubt it, as they can always command such a large amount of available labour.

441. Do you know the hours of labour in Australia?—No.

442. *Mr. Leys.*] Have the labour laws raised the average wages in New Zealand in the clothing trade?—I do not think they have raised the wages very much. So far, they have equalised the wages. I think the wages paid now are pretty well the same in our factory as they were before. They have made a little rise in the case of some of the employés that were not paid the same wages before, but, taking it all round, the wages are pretty well the same.

443. Have they tended to prevent "sweating"?—Yes.

444. If they have not raised the rate of wages, why do you apprehend that the competition from Australia would cut down the wages here?—Because I have always been under the impression that the wages are lower there than here for certain classes of labour.

445. Do you think the abolition of intercolonial duties would increase the competition from the mercantile houses of Australia?—Undoubtedly, it would.

446. Do you think there is any risk of surplus lines being thrown on this market to the disturbance of trade here?—Yes.

447. Would that be a benefit or a disadvantage?—It would be a disadvantage to the distributing-houses here. It might be an advantage to the consumer.

448. Have you compared the Customs tariff of New Zealand with the tariff of the Commonwealth?—I have not gone into that matter.

449. Then, you have not formed any reliable estimate as to the loss to the Customs revenue through federation?—No.

450. *Hon. the Chairman.*] I notice that woollens imported from Australia to Auckland increased from £3,777 in 1898 to £6,433 in 1899: how do you account for that large increase?—It is impossible to say. Woollens is a very large item; there are many classes in woollens.

ALBERT SANFORD examined. (No. 138.)

451. *Hon. the Chairman.*] What are you, Mr. Sanford?—A farmer and fish dealer. I appear here as a representative of the Tailoresses' Union.

452. How many members are there in the Tailoresses' Union in this city?—I think the number of efficient members is about two hundred, and they mostly belong to the order-shops. There are two classes here, the factory class and the order class. They work under two separate logs, but since the last factory law came into operation the factory-girls have fallen off in their attendance, and they number now only about two hundred in the union.

453. Have the union as a body considered the question of New Zealand federating with Australia?—They have not discussed the question properly, but only in an informal way. The union, I think, would be opposed to federation, because I have not heard one express an opinion on the question—and, in fact, they have not made up their minds on it.

454. What is your own individual opinion on the matter?—As a private citizen, I am against federation.

455. What are your reasons for objecting to federation?—We are a free people, and, speaking in regard to the fish trade, we have no duty against us on that item in Australia; but, taking the farming industry, I feel confident, if there were no duty in New Zealand against Australia, that at certain times when there is no drought in Australia meat could be produced there at 1d. a pound, and it would be preserved and canned and sent here and sold to the disadvantage of our farmers and graziers. The large tracts of country they have in Australia enable the farmers there to produce large quantities of stock, and I am sure that in times when they had no drought they could export meat here to such an extent that they would be able to demoralise the whole of our financial obligations, and could swamp our markets with the surplus of Australian products. I do not think we do much business with Australia, and I look on London as our market. The Australians only buy from us when they have a drought, but when they have a surplus we cannot do any trade with them. Therefore I think it would be a mistake to invest capital in this colony in farming in the hope of getting a good market in Australia only when there is a drought there. We should rather cultivate intercourse with a country where we can depend on a market year after year.

456. Do you think it would be a benefit to New Zealand to federate because we would have more people to trade with?—If New Zealand federated it would be only in a social direction that we should benefit. Possibly New Zealand would be the piece of land on which rich speculators

would settle. Certainly there will be an enormous value created in the different businesses—a monopoly value I would call it—because these people would have a large amount of capital to invest, which would crowd our people out.

457. Are you in favour of New Zealand federating with Australia or not?—I am not, because we would not be in the gamble. We might be in the position of slaves to Australia, as the power of the Commonwealth will be so great that cities will spring up there and attract our people from these shores.

458. *Mr. Roberts.*] You seem to be very much alarmed on account of a fear of the farmers being flooded out with stock from Australia during the good seasons there: is there any reason to fear that?—I feel sure that the meat-factories in Australia would swamp the New Zealand industry, and would shut up our canning-factories. We might get cheap meat for a short time, but it would simply crush the industry here. We would fall back in regard to cultivation, and then we would not be able to get any meat to export in times of drought to Australia.

459. Has there ever been any importation of meat from Australia?—Not much.

460. New South Wales has 64,000,000 sheep: why do you anticipate that there will be any importation of meat from there?—Meat is retailed in Sydney at a low price per pound in good seasons, and it can be frozen there and landed here at half the price that is charged in the market here.

461. But they ship large quantities of frozen meat to London from Australia, so that the local price is largely regulated by the value of the meat in London?—The price is really regulated by the markets of the world, but the carriage from Australia to here is very short, and in that is my fear of a competition.

462. *Mr. Millar.*] You have had some trouble, have you not, in getting the Tailoresses' Union up to its present position?—I have taken some trouble with it in the past in getting it under way.

463. I suppose the members of the union are afraid of the competition that would follow under free-trade?—Yes, they are. They feel that we have the power of legislating for ourselves here, and that if we go into the Australian swim we may lose our identity and not be able to continue our progressive legislation.

THOMAS PEACOCK examined. (No. 139.)

464. *Hon. the Chairman.*] What are you?—I presume I am asked here through my connection with various industrial and commercial undertakings in this city. I am a director of several companies.

465. Have you given any consideration to the question of New Zealand federating with Australia?—I have only thought the matter out in a general way. My opinion is that it would not be advantageous to New Zealand to join the Australian Federation. The chief reason against it is the great distance that intervenes between this colony and the Continent of Australia, with its bearing on the question of defence. I notice that some parties attach weight to the defence argument as being in favour of federation, but to my mind it is just the opposite, and for this reason: that in the event of New Zealand being joined to Australia it is to be supposed that the troops belonging to the Federation would be distributed through the various States, and it seems to me that, the States of Australia being contiguous one with another, and with complete railway communication, they would have in the matter of defence a very much greater advantage than New Zealand would have. Presuming an enemy were to invade the Continent of Australia, they would be able to concentrate their troops upon any point threatened, while if such an event occurred in New Zealand we would have to depend entirely on the particular portion of Federal troops which might happen to be here; the distance involving a journey of nearly four days' steaming would prevent any concentration of troops from Australia. Then, again, it seems to me that our chief defence, not only here but in Australia, is the sea defence, and even with federation we would still be dependent on the Imperial navy for that, and we would be in no better position than we are now. In regard to the question of trade, it seems to me that, as we send the larger portion of our exports to England and some to America, the question is not very largely affected by what would happen if we federated with the Australian Colonies. In the case of our gold, coal, frozen meat, wool, agricultural products, kauri timber, and kauri-gum, there are very few of these that have much bearing on the question of our connection with Australia. Certainly, all our frozen meat and wool goes to England, and also the greater part of our agricultural produce and kauri-gum goes to America. It is true that in Australia they do take some of our agricultural products, but only in times of drought or flood, when there is a shortage there; but even then sometimes there is a loss to the exporter. As far as our coal is concerned, our coal areas are of a limited character, and are likely to be wanted for our own requirements; and in the case of our kauri timber, in the event of our not joining the Federation they would still have to take the timber, as it is suitable for certain requirements in Australia, so that the consumer would have to pay any duty that was put on, and in the case of the Oregon timber, which competes with the kauri, there would be a duty against it also.

466. *Mr. Leys.*] Do you think there is a community of interest between the States in Australia that does not extend to New Zealand?—I think the mere fact of their contiguity is of itself a reason why there should be more community of interest there than there would be at such a great distance as this.

467. Do you think that would affect us injuriously in the Federal Parliament in regard to our ability to press our requirements upon the Government?—The fact is that we would have a very small proportion of the representation in the Federal Parliament, and certainly the representatives of Australia would not enter into any discussion with regard to New Zealand with the same interest or knowledge that they would if it had reference to the Australian States.

468. Do you think the tendency of the Federal Government would be to increase its powers and to absorb the State powers?—I do not apprehend that that would be the case.

469. You do not apprehend that there is a likelihood of the States being ultimately absorbed?—I do not think so. I think there will be scope enough for the States to exercise useful functions.

470. Well, do you think the Federal Government are likely to take for their own use a quarter of the Customs revenue they are entitled to take?—I have not been able to go into the question of the cost of the Federal Government in detail, and my opinion is not of value on that point.

471. Did you, when in Australia lately, hear any views expressed as to the Federal works that are likely to be undertaken in the nature of public works?—I did not specially.

472. In the event of the Federal Government undertaking such great works as trans-continental railways and irrigation-works, do you think it probable that we should be saddled with a portion of the cost of those works?—It is quite possible that such works may be undertaken in that great continent which would be of an advantage to Australia, but not so much to us.

473. And do you think it is likely that Australia would not recognise or make any allowance to New Zealand in that respect?—Justice would, no doubt, lead them to make some recompense, but I question very much whether it would be recognised in full.

474. Do you assume it is probable that we should have to increase our direct taxation here if we federated?—I think it is probable.

475. How do you think it would affect New Zealand industrially and agriculturally?—Not materially. Of course, if the taxation is increased, to that extent the people in the State are rendered less capable of spending their money in other ways.

476. Have you any knowledge of the industrial position of Australia—the conditions regarding wages and hours of employment?—Only in a general way.

477. Would there be any advantage, from a commercial point of view, through federating? Would there be expansion of trade?—I do not think so, as far as I can judge.

478. Would there be any advantage in our commercial men being able to trade with the people over there?—I do not think so. There is a very large export of kauri timber to Australia, but I do not see how federation would be likely to increase the amount of that export.

479. If New Zealand were part of the Federation, and a protective tariff were in vogue, would our output under federation be expanded?—To the extent that the American timber as a competitor would be taxed, it would.

480. Would there be any advantage to our commercial companies—I mean our insurance and banking companies—through federation?—I do not think so. I do not see how federation would in any way affect such companies.

481. With regard to administration, do you think the colony would suffer through the great departments being controlled from Australia?—I have a distinct opinion that the distance from the source of power renders the administering of particular work less efficient.

482. Do you think there would be any saving in the cost of administration?—I do not think so. You mean in the way of Government expenditure?

483. Yes?—I do not think so.

484. What do you think the effect on the State Parliament would be? Do you think the better men would be attracted to the Federal Parliament, and that our State Parliament would decline in consequence?—I should not apprehend any danger on that account.

485. Do you believe we will get good men to take places in the Federal Parliament?—I do not think it would be so convenient, and possibly it might lead to there being more professional politicians than if the Government were solely in New Zealand.

486. You think the men would not be so representative of the various classes as now?—I think not.

487. *Mr. Beauchamp.*] Did I understand you to say that you thought the effect of federation on our industries would be prejudicial?—No; I did not express myself in that way. What I meant was that, so far as any export trade was concerned, I did not apprehend there would be much to do, as each of the States in Australia and our colony here would be quite able to manufacture for their own wants.

488. But, with regard to centralisation and specialisation in Melbourne and Sydney, do you not think this colony would be largely used as a dumping-ground for their manufactures?—I do not think we should be harmed by them.

489. You think we should hold our own?—Yes.

490. I notice amongst our exports to Australia: Timber, £36,550 in 1898, and £55,000 in 1899: is that chiefly kauri?—Yes; there is some kahikatea timber.

491. Kauri and white-pine are better than any timbers they can produce in Australia?—Yes, better for certain classes of works.

492. And, federated or not federated, they would still have to take that timber from us?—Yes.

493. And it is therefore hardly likely that they would impose a heavy duty on those timbers?—If they did the consumer would have to pay it.

494. You have such a large domestic trade now that you are pretty well independent of Australia?—There is a large trade in the colony itself. With regard to the timber industry, viewed from the export aspect, the time will come when the kauri timber will be exhausted; it will possibly not last more than forty years, and, unfortunately, efforts are not sufficiently made to reforest the country.

495. *Mr. Millar.*] Did I understand you to say that you were not afraid of competition from Australia in regard to our industries?—That is so.

496. Are you aware that at the present time there is a duty of 22½ per cent., and that last year we imported ten thousand pairs of boots from New South Wales and Victoria?—Yes.

497. Under free-trade, do you not think that number would be increased?—I do not think so. We should be able to do as well as they do in Australia. There is a difference in wages, but there will be a levelling action in that respect.

498. Can they not produce leather cheaper than here?—I do not understand why they should.

499. We have to import the tanning material, whereas they have a large portion of it at their own doors?—Our Government have planted a large amount of wattle-trees with a view to providing material for tanning purposes.

TUESDAY, 5TH MARCH, 1901.

ALEXANDER BELL DONALD examined. (No. 140.)

500. *Hon. the Chairman.*] What are you, Mr. Donald?—Shipowner, island trader, and general merchant, residing in Auckland.

501. How long have you resided in New Zealand?—I have been in the colonies about thirty-eight years, principally in New Zealand, but I resided in Australia for about two years.

502. Have you considered the question of New Zealand federating with Australia?—In a general way. I am strongly in favour of federation.

503. Will you be good enough to give the Commission your reasons for favouring federation?—First, as the name implies, the Commonwealth means the well-being of the community at large, and if New Zealand federated it would be good for both Australia and New Zealand. And it will be a step towards the higher federation of all the English-speaking colonies, which will raise the people of New Zealand and Australia instead of lowering them. It would have a tendency to increase trade and to give more labour to the labouring-classes, and if for a time it affected special industries adversely it would only be for a time, because New Zealand must come to the front. We have got here all the advantages that Australia has, and more besides, and I see nothing to keep us from being able to compete in any direction with any part of Australia. My experience of the labour part of the question is that the difference in wages is not great. It has been stated here that there is a 25-per-cent. difference in the wages paid in Australia as compared with those paid in New Zealand, but I differ from that statement. In fact, there is no difference; and, as far as the hours of work are concerned, from my experience I have not found anything to justify me in saying there is any difference in that respect. As a matter of fact, I think I am right in saying that the rates paid to heads of departments in Australia are from one-third to 50 per cent. more than what is given to heads of departments in New Zealand, and in the case of the general labouring-class, I think the wages there are on the whole quite equal to what they are here. I am not speaking without knowledge of this particular matter. Some years ago I purchased a steamer in Sydney, to which I made extensive alterations costing the sum of £5,000, and through having to pay for these alterations I found that it cost for labour as much in Sydney as the work would have been done for in Auckland, if not more so. Furthermore, the shipowners of Auckland find, when they want their vessels repaired, that it is preferable to bring them to Auckland and dock them here than to do the work in Sydney. It is cheaper to do it here than in Sydney; but if we want general shipping-gear, such as ropes and paints, we can get them cheaper in Sydney. This clearly shows that the general expenses are cheaper in Auckland than in Sydney. I, however, take up the higher ground that it is better to federate with Australia apart from the question of whether it is going to be good or bad for the special industries of certain people. Many people say that it is a mere matter of sentiment, but sentiment is at the bottom of the great affairs of this world. Sentiment has made England, and will make any nation. And, in regard to the cry that has been raised that the statesmen in Australia will not look upon us with favour or do justice to us, I say that the gentlemen guiding the destinies of the Commonwealth will have a far higher idea of the duties of their high position than to try and take advantage of New Zealand, but will do justice to us. It will depend on the people of New Zealand as to who they send over there to represent them. If they send their best men over to look after the interests, those interests will have the careful consideration of Australian Ministers. On this ground I am strongly in favour of federation.

504. I understand you to say that you think one of the results of federation would be that there would be more employment for the working-men?—Yes.

505. Would that employment be in Australia or New Zealand?—There would be as much in New Zealand as in Australia, as there would be a general expansion of trade all round.

506. Do you think the manufacturers of New Zealand would be able to hold their own against the larger concerns in Australia?—I believe in a short time they would, as we have the advantage of a good climate, good soil, good workmen, and shorter hours. I see nothing to keep our men from getting on, excepting that for a short time a few industries might necessarily be upset, but in the long-run they must regain their position.

507. I think you said that the heads of departments in Australia were paid at least 50 per cent. more than they are in this colony: if that is so, would the cost of government be increased to that extent in New Zealand by our joining the Commonwealth?—My reason for saying that the heads of departments get more money there than they do here is because the merchants in Australia do a much larger business, and therefore can afford to pay more for the ability they get.

508. Have you considered what effect federation would have on the finance of this colony?—No. It is an important matter, and it is one for financial experts to go into.

509. Have you considered how far our legislative independence would be interfered with by our joining the Federation?—I have not gone into that phase of the question, but I am quite satisfied that the men at the head of affairs would do justice to us all in all those matters.

510. *Mr. Leys.*] You say that federating with Australia would probably lead to a higher federation: what do you mean by that?—I mean that it will naturally be the stepping-stone for the federation of the English-speaking colonies with the Mother-country—that is the tendency of the age.

511. Do you not regard the present relations between England and the colonies as practically a federation?—I do not think so, because we want representatives in the Imperial Parliament, and that can only be brought about by the federation of all the colonies, of which we are one.

512. In what way do you think the federation of Australia would help Imperial federation?—It calls the attention of men to this particular phase of the question, and leads them to think and feel more strongly in connection with the federation of the English-speaking race.

513. Do you not think there would be some loss by the taking-away of so many powers now exercised by our Central Government and handing them over to a Parliament so many miles away?—I think the gain would be far more than the loss. I think the general community as a whole would gain in character far more than they would lose from a monetary point of view. The first principle of all good law is to form national character, and we should gain in that respect.

514. From your experience of colonial Governments, do you find that this high ideal prevails—in the matter of the distribution of public works, for instance?—I must say I do not; but one cannot help saying that, to a certain extent, the feeling underlying all the social laws at the present time is to elevate the social condition of the community at large.

515. Do you think that, in the event of federation, and the Federal Government goes in for railway-construction and large works of that kind as they propose, we should be likely to get our fair share of such expenditure?—Yes; and I believe business would increase all round, and it would be an advantage to us, even if we had to pay a certain amount of money towards the cost of those works.

516. Do you see any advantage in going away to Australia for works that we could undertake ourselves?—Of course, we should have to forego some advantages, like all other nations. In an association of merchants every man cannot have his own way, and therefore, in the higher sense, in a community of small States, such as Australia and New Zealand, each cannot possibly expect to get all it wants.

517. With regard to post-offices, Customhouses, and lighthouses, which are immediately taken over by the Commonwealth, do you think that these could be better administered by the heads of departments in Australia than by the heads of departments here?—I would not like to express an opinion on that point.

518. You have lived in Australia?—Yes.

519. Did you find that they knew very much about New Zealand and its concerns as a people?—I would not like to say they do.

520. Did you find that the Australian Press gave much attention to New Zealand affairs?—No.

521. Did you find in the Australian papers daily reports of the affairs of the other colonies?—Yes.

522. Does not that argue that there is a community of interest and sentiment there that does not apply to this colony?—To a certain extent it does; and in the case of people separated by sea the communication they would have would tend to bring that community of interest about, just the same as railway communication does in the case of people separated on land.

523. Have you considered that by federation we pass over to the Federal Parliament five-sixths of the government of this country with respect to many important matters?—I have got sufficient confidence in human nature to know that that Government will do justice to this colony.

524. Do you not think that we might suffer through their ignorance of our requirements?—Possibly for a time we might, but ultimately if you send good men from New Zealand they would be able to put their case in such a way that our interests would be properly attended to.

525. *Mr. Luke.*] Have you considered the question of black labour?—Yes.

526. What effect do you think that might have on the northern part of Australia?—I have been specially connected with the South Sea Island trade for the last twenty-five years, and I do a large business with the islands. I have been up and down a hundred times through those islands, and I have a pretty fair idea what that black labour means.

527. What is likely to be its social effect upon the community where it may be employed?—I am thoroughly convinced that if you are going to grow sugar and other tropical products it would be a very unwise thing for white men to attempt to do the labour, as it will tend to lower them instead of raising them up.

528. Practically, you think that the sugar-fields of Queensland cannot be cultivated by white labour?—No, not without degrading the white man.

529. Do you think, if black labour is admitted into Queensland, that it might in time overflow the boundaries and flood other districts?—I do not think so.

530. Do you not think that there will always be this barrier against communication between the people of New Zealand and the people of the continent—I mean the barrier of the sea-distance?—I do not think so. I think it will be to the mutual advantage of New Zealand and the people of the Commonwealth if we federate, as this barrier will be getting less every year. We are closer to Sydney than the western States are to Washington. It takes four or five days to get to Washington, while you can go to Sydney in three days by the mail-boat.

531. Is not the land communication on the American Continent more in favour of community of interest than the sea communication between here and Australia?—I do not think so.

532. Do you not think that there is a natural dislike to travelling by sea that will always exist?—There may be, but that can be overcome.

533. Would not that be the difficulty, that we would not get that proportion of the people of Australia over here that we would like to see?—I do not think so, because when you had large boats running backwards and forwards the gain in both ways would be tremendous: instead of there being a few travellers, there would be thousands coming here.

534. But would not there be a much larger proportion of people coming from Australia to New Zealand if we were part of the continent, and had land communication instead of sea communication?—Possibly.

535. In carrying out large public works, do you not think that Australia would have a greater advantage than we should have?—Possibly, if you look at the matter from the money point of view.

536. But do you not think that in the administration of public works we should suffer, and that the Federal Government would have no regard to our wants and necessities?—No.

537. You do not fear there would be any disadvantage owing to the small amount of representation we would have in the Federal Parliament as compared with the several States who have common interests?—No.

538. You think we would develop a type of statesmen that could more than hold their own in the Federal Parliament?—Yes.

539. You said, from your experience, wages were as high and the hours of labour as low in Australia as in New Zealand: are you quite sure of that?—As I told you, I was there three years ago, and I am only speaking of that time.

540. We have had evidence that wages there are lower and hours of labour longer than in New Zealand: do you think that is wrong?—Yes. From the evidence I have read in the paper I have seen it stated that wages are lower here than there, and it seems to be a sore point with some people; but I speak from my own knowledge, because I have had to pay for labour in both countries, and as a shipowner I say that ships come and dock here and get all they want because the work can be done cheaper than in Sydney.

541. May not that be due to the fact that the proprietors of the works here make less profits than they do in Sydney?—There may be something in that.

542. Can you answer this question: as to why New Zealand shipowners very often have sent to Sydney for the building of small steamers, and even for repairs to steamers, because they can get them cheaper in Sydney?—No, I do not think they can do them cheaper; we build cheaper here than they do in Sydney; it is only the engine part of the business that we cannot do as cheaply, because there is a heavy duty on machinery at the present time in New Zealand, and naturally, Sydney being free-trade, machinery is much cheaper than it is here. Engines and boilers are made cheaper there than here.

543. Does not that indicate that the wages there are lower than in Auckland?—I do not think so.

544. Where does the difference come in?—Because I presume that people here have not got the machinery to do it.

545. Do you not think that that condition of affairs would still obtain under federation—that they would have the superior machinery, the larger concerns, and the centralisation of works which would give the advantage as against New Zealand manufacturers?—It could only be if the New Zealand employers have got sufficient ability to cause them to do away with the old machinery and get machinery that is up to date.

546. Will there be the inducement for getting this up-to-date machinery: would not the volume of trade be too little to warrant it?—To a certain extent it would be, but in years to come that would be remedied.

547. Would not that exist under the Commonwealth to a greater degree than it does now?—To a certain extent, yes; and to that extent we would should be at a disadvantage.

548. When you said heads of departments were better paid in Australia than in New Zealand you referred to the heads in commercial houses?—Yes.

549. Not to the heads of Government departments?—No; I believe they are paid rather less than others in Australia, but I would not like to say definitely.

550. Then, you think the social condition of the masses in Australia is quite as good, if not better, than it is in New Zealand?—Yes. With regard to the salaries paid to heads of departments, when I was in Sydney three years ago I heard that one of the managers in Flood's office had made a speculation that morning that had earned £2,000 for the company. He could not do it in New Zealand under the same circumstances.

551. Would not that condition of things exist under federation as much as it does now?—Yes.

552. *Mr. Beauchamp.*] Are you a Free-trader?—Not exactly.

553. You believe in some protection being allowed to our manufactures?—If necessary, to a certain extent.

554. Do you consider, on the whole, that our manufactures in this colony are unduly protected at the present time?—I do most decidedly.

555. In regard to our industries, do you think the bulk of them could survive the competition that would arise under federation from both Sydney and Melbourne?—Yes.

556. Notwithstanding the fact that the industries are carried on on a very much larger scale, and also that probably in regard to the raw material, coal especially, they would be able to buy it much cheaper there than here?—They would buy coal cheaper here than in Melbourne.

557. But take Sydney or some port near Newcastle, we are informed that coal is quite 30 per cent. cheaper there than in New Zealand: do you differ in that opinion?—Yes, I do.

558. You do not accept it as a fact that coal in Sydney is 30 per cent. cheaper than it is in this colony?—I do not think so. You can get good coal here for about 12s. 6d. a ton.

559. We are told, also, that the raw material is conveyed cheaper by steamers to the main ports of Sydney and Melbourne than to any port in New Zealand, which gives the factories there a great advantage over us: is that right?—To a certain extent it is.

560. You think the Australian industries could not prejudicially affect our industries?—Not after a short time. My experience of our industries is that they supply an inferior article; that is the tendency of protection. You take a rope that is made in New Zealand, and you will find it is not the quality they make on the other side. I am building a large vessel, and I have to send outside the colony to get rope for this vessel, because I do not consider that the rope they make here is sufficiently good as compared with what they make in Sydney and Melbourne.

561. The majority of witnesses in this colony have expressed an opposite view, and stated that we produce a higher quality of manufactured goods than they do in Australia?—I am speaking about articles imported into both colonies—for instance, hemp.

562. Do you say we do not produce as high a quality of goods here as they do in Australia?—I am speaking of the things that are obtained from outside both countries. I believe our woollen goods are superior to anything they get in Australia.

563. But, generally speaking, you say we do not compare favourably with Australia in regard to the products that are common to both countries in connection with manufacturing?—That is so.

564. Do you think that the basis of representation is equitable, seeing that the Maoris' votes are excluded and the women's votes do not count?—Yes; on those two grounds I think there is no disadvantage.

565. And you would favour our federating under the present Bill?—Yes.

566. *Mr. Millar.*] I think you said you had experience of wages in Australia in regard to your particular trade: can you tell me what is the pay of shipwrights in Auckland?—That is not my trade; I am a shipowner; but I believe the wages in Auckland are about 10s. per day.

567. Are the dock dues heavier in Australia than in New Zealand?—Yes.

568. Do you find your own labour there?—The dock people find that. If you find your own labour the dock people charge you 2s. a day.

569. Are you aware that the wages are only 8s. a day in Sydney?—I am not aware of it; it is news to me.

570. Here is the official document of the Labour Department?—You will get shipwrights working here at 8s. a day.

571. The minimum there is £2 8s. and the maximum £2 12s.?—When I was in Sydney a few years ago a friend of mine got some work done, and he was paying his men 12s. a day.

572. You are aware that this statement is made up from returns submitted by the employers?—I know what I paid when I was getting work done in Sydney a few years ago, and I can safely say it was not 8s. a day.

573. What would you pay for boilermakers and riveters in this colony?—I do not know.

574. Have you any knowledge of what the charge would be in New South Wales?—No; I cannot say it has come under my special notice.

575. The Conciliation Board have fixed boilermakers' wages at 11s. a day?—Yes.

576. You admit that the dock dues are higher in Sydney?—Yes.

577. And according to this statement the wages are lower in Sydney than in Auckland?—No.

578. And yet you say you can get work done cheaper in Auckland?—I say shipwrighting work.

579. What is the difference in cost, taking Auckland and Sydney?—Generally, the expenses are greater in Sydney than in Auckland.

580. As far as the statistics go, the whole of the wages paid in New South Wales are less, on the average, than what is paid in New Zealand?—I have been in New South Wales any number of times—sometimes two or three times a year—and it is news to me.

581. I think you said that federation would find more work for the working-classes in this colony: in what direction will that go?—I think as a whole, especially to the labouring-classes. It will stimulate trade, and will mean far more produce going and coming backwards and forwards between Australia and New Zealand. At the present moment Auckland ships a great quantity of maize over there every year, and if they put a high tariff on that it may have a tendency to keep it from going over; but with a free market the export of that commodity would be increased to a large extent, and the exportation of a great many other commodities would increase in proportion.

582. You have free-trade with New South Wales now?—To all practical purposes, yes.

583. What was the amount of maize exported from Auckland last year?—I could not state that.

584. In three years it went up from £1,933 in 1897 to £24,509 in 1899: is that an argument for the colony joining the Federation, even supposing the latter amount were trebled?—I do not bring that forward as an argument at all. I say that the great bulk of the labouring-population of the colony would be benefited by New Zealand joining the Commonwealth. It will give a great stimulus to trade, and the ordinary labouring-man will participate in that. If it gives competition to the flour-millers it will cheapen bread, and that will not be a disadvantage to the working-man or to any one else.

585. If the labouring-man cannot earn wages to buy that bread, what is to become of him?—I say he will get more work.

586. From where?—From the greater amount of products going between the two places.

587. Agricultural or industrial products?—Both.

588. What manufactures do you think we could export from this colony to Australia?—That is a very difficult question to answer at the moment, because it would take a little time for each place to find out what was best suited to it.

589. You state that production would be enormously increased, and that there would be an increase in labour: what industry strikes you as being able to export to Australia?—With cheaper freights and better facilities, the farming community would certainly be able to export considerably more than they are doing.

590. During all these years has there been any cheapening of the freights?—Well, I think that would be one of the special things that the Government would take into consideration. If New Zealand federated with Australia the question would be bound to crop up of having better and more efficient communication between the two places, so that both trade and people could get back and forward more rapidly and more cheaply than at the present time.

591. That could be obtained by subsidy at the present time?—That is questionable.

592. How would it be obtained by the Federal Government taking it up?—You would naturally expect that they would have more interest, if they were united to us, in making this particular piece of water between the two places closer than now. They would devise the best means of bringing us closer together. At the present time we are not united.

593. Do you think that a Federal Government sitting in Australia would take a greater interest in finding markets or increasing the trade of New Zealand?—Without any Government at all it would come about. The Government need not necessarily bring it about. The two peoples being joined together would have that tendency.

594. As a business-man, where would you expect to get a market for your products: would you expect to find a market in a place that was growing and exporting the same things that you were growing?—It would all depend upon circumstances. It is not always the case that the market is full to overflowing with the things that it produces.

595. Well, if they are exporting they are not short, are they?—Not of that particular article.

596. You are aware that Victoria and South Australia export wheat?—Sometimes.

597. And that New South Wales is self-supporting?—Sometimes.

598. If a drought came along and we were outside the Federation, where would she get her stuff from?—With the facilities that steam communication gives now all over the world, it is difficult to state where they would get their stuff from. For instance, they are getting any quantity of flour from Canada now, and they are getting maize from California. When flour was at a considerable price any amount of it came from Canada to Sydney.

599. And wheat too?—Yes; under the circumstances it is wonderful what effect facilities have. The position I take up in connection with the increasing of trade is that the more facilities you give to places separated from one another the more expansion of trade will you have.

600. As a shipowner, and you knew that there were fifty ships lying at Calcutta waiting for freight, would you send up a ship there for freight?—Not very likely; it would be a very stupid thing to do.

601. Would you expect a farmer to send wheat to Victoria when he knew that Victoria was an exporter?—One would not expect him to do it.

602. Well, Victoria is exporting?—That is not the way to look at it.

603. You say federation is going to benefit the colony enormously?—I said materially.

604. Well, I want to know where the colony is going to benefit?—By the increased facilities for trade between the two places.

605. But if you had nothing to trade with?—It would make trade of itself.

606. Would it make trade to any extent with Australia in wheat and oats, butter, and frozen mutton?—Possibly.

607. How many of them?—It is hard to say at the present moment.

608. You know that the Australian Colonies are exporting all these items I have mentioned?—I will give you the instance of the South Sea Islands. I may say that, although it is a personal matter, I was the first one to run a steamer to the South Sea Islands. Mr. James Mills, who is a far-seeing man, said it would never pay, and I would lose everything. He was right, in so far as I lost a lot of money for the first year or two. What is the ultimate end? Mr. James Mills is running at the present moment steamer after steamer to all these islands. It is simply that the traffic has increased with the accommodation provided, and, instead of there being one steamer to take in all the islands, they have got a steamer running to almost every island in the Pacific.

609. What do the islands produce?—Fruit, and all kinds of products.

610. Do we grow the same things to any extent in this colony?—Not necessarily so.

611. Therefore it is not a country which comes into conflict with our products. We ship stuff to them which they do not produce?—Nevertheless, I say that business will expand between the two places if you give facilities for trade between two different countries. Even though the countries grow the same particular article, the business of those particular countries will materially increase if you give them facilities. That is the position I take up.

612. You think there would be a profitable market in Australia for the products we grow in this colony, and which at the same time Australia is exporting to the Mother-country?—Not if you put me in a corner like that. I take it, as a general thing, that trade as a whole will materially increase if you give better facilities than at the present moment. I consider that the Commonwealth will give, and the statesmen you are going to send to help in the ruling over there will look out that they do give, facilities between these two places if they do federate.

613. I think you said that centralisation cheapens production?—No, I did not.

614. Do you not think it does?—I do not know. Personally, I do not believe in what you call "cheap stuffs." I think it is a mistake. I would say most emphatically that if Melbourne, which is the producing centre of cheap goods in Victoria, prefers to produce cheap stuffs for its people, let them do it; it is a degrading business at best. We have something higher in view here than to lay ourselves out to produce the cheapest article.

615. You know the celebrated doctrine of thrift, which says, "Buy in the cheapest market": should we do that?—Not necessarily, but, other things being equal, most decidedly. I believe an article is only cheap if it is good as well. It is not cheap if it is a bad article. I believe that the tendency of the worker should not be for cheapness.

616. But in times of economy the bulk of the people have to study economy and buy as cheaply as they can. Do you think it possible that, if our market were thrown open to the influx of the cheaper articles from Australia, our people would continue to buy the dearer article?—I believe we would find plenty of people here who would try to produce just as cheap an article as in Victoria or New South Wales.

617. They could only produce it, could they not, under the same conditions, the same hours of labour, and the same rates of wages?—I do not know; I do not think that wages altogether are the factor in fixing the price of an article. It is up-to-date machinery and business capabilities. Wages are more a matter of detail.

618. Is not the output a principal factor in it?—Yes, to a great extent.

619. Take a fully equipped factory with the latest machinery in Victoria: do you think it possible for a factory in New Zealand to compete profitably against it?—Personally, I do not trouble about that, for, after all is said and done, I do not think that a factory is going to make a nation.

620. Have not manufactures made Britain what it is?—I doubt it.

621. What has?—The noble men and women she has produced. It is character, not manufactures, that makes a people. If you cannot have character it does not matter if you have a country full of manufactures; it would ultimately fail.

622. Do you not think that character is largely affected by surroundings?—Most decidedly.

623. Have not the surroundings of the British been manufactures?—Lately, decidedly.

624. Therefore manufactures have had a great deal to do with the character of the British race?—At the present moment it has.

625. Is that not a high ideal to have before us?—No, I do not think the making of cheap shirts and boots is a high ideal to set before us.

626. Is there no necessity to make cheap stuffs?—One would think so. The whole idea is to compete with some cheap man outside.

627. But we have a barrier against that, and you are advocating the removal of that barrier?—Yes.

628. You are advocating that our people should come down to their level?—No. I say there are other things to do in New Zealand than making cheap boots and shirts.

629. You are aware that all the land that has been put on the market has been over-applied-for—that they cannot find land for them all?—Well, I feel very sorry for New Zealand if it is so.

630. Take the land question: do you think the Government in Australia will take as much interest in settling the people on the land as the Government of New Zealand has done?—Yes, if you send the proper men over to lay the case before the Government on the other side. I have sufficient faith in human nature to think that the men who will be picked out to form that higher Parliament will have courage to do what is just.

631. I understand that you have not viewed this question from the financial point of view: you have no idea what the colony will lose financially?—I have not gone into that.

632. And you express no opinion as to whether it would be better for the various departments to be administered by the Federal Government or locally?—No.

633. You also say that manufacturers for years to come would not be justified in equipping their factories with the latest machinery, because there would be no market for their goods?—I did not say so.

634. I think Mr. Luke put that question to you?—No.

635. What do you say, then?—Mr. Luke put a different question to me. He said that the larger amount of business doing over on the other side in certain lines would necessarily mean that they could put up larger plants—not that they could put up better machinery. With larger plants you could have a larger turnover.

636. You went on to say that our men could do the same thing?—As far as putting up up-to-date machinery.

637. He also asked you if the trade justified putting up larger plants?—On a smaller scale, I said, it did.

638. You also said you did not think the trade of New Zealand would warrant the putting-up of that larger plant?—If you mean by that that it would be necessary to turn over three or four times the quantity, one would think it would not be wise to do it.

639. It would not be business?—No.

640. You admit that in Australia little or no notice is taken of New Zealand?—Comparatively speaking.

641. That is a fair idea of the opinions held as to New Zealand in Australia?—Not generally. I do not think that necessarily follows. I think a great many people in Australia have a high opinion of New Zealand.

642. From the problematical benefit to shipping—it depends entirely on the climate in Australia whether we will have a large market—you yet say it would be in the interest of New Zealand to federate?—I say it would be in the interest of the colony at large to federate with Australia.

643. *Mr. Roberts.*] It has been estimated by people who have taken the trouble to make the computation that if New Zealand joined the Federation the loss from Customs, excise, and contributions to the Federal Parliament would amount to something like £600,000: in the face of that would you still favour federation?—Yes.

644. Even at such a cost?—Yes.

645. *Hon. Mr. Bowen.*] You know a good deal about the South Sea Island labour?—Yes.

646. Do you consider that there will be sufficient labour for the sugar-plantations in Queensland for the future from the South Sea Islands?—I really could not say to what extent they are likely to go on cultivating sugar in Queensland, but if they cultivate it much more than at the present moment they will possibly have to import coolies from Calcutta to supply the labour, the same as they are doing at present in Fiji.

647. People have spoken constantly about kanaka labour, but I suppose that includes other South Sea labour: what I want to know is, can they look to it for a permanent supply of coloured labour?—Yes, I think so.

648. I thought it was failing?—No; but there are restrictions, and the whole thing is carried on differently from what it was many years ago.

649. Do these South Sea Islanders stay in the country, or do they go home?—As a rule, they go home.

650. Then, you do not think there would be permanent settlement by these people in Australia?—No.

651. Do you think the coolies would settle there?—Well, quite likely they would.

652. Do they stay?—They are largely staying in Fiji.

653. Have the Chinese been employed in Queensland?—To a certain extent, I believe, they have.

654. Do they remain?—A Chinaman usually remains until he gets sufficient money to enable him to go home and live in China.

655. Do you think sugar-planting could be carried on without coloured labour?—From my experience of the South Sea Islands I should say it could not.

THOMAS TAYLOR MASEFIELD examined. (No. 141.)

656. *Hon. the Chairman.*] What are you?—An engineer and ironfounder.

657. In Auckland?—Yes.

658. Is your establishment a large one?—Yes.

659. How many hands do you employ?—Sometimes sixty or seventy.

660. Have you lived long in New Zealand?—Forty years.

661. Are you acquainted with Australia?—No; I have never been there.

662. Will you tell the Commission how federation with Australia will, in your opinion, operate on the manufacturing industries of this colony?—From a manufacturing view of the question, I think, very detrimentally to all the manufacturing interests in Auckland. To my own trade it would. We have a small duty of 5 per cent., but a large class of our goods would have to compete against Victoria, where they have large protective duties. Wages in Australia are less than we pay here by 20 per cent. Materials are also cheaper there than we can get them in New Zealand. Consequently we would be hampered to a certain extent by competition with the colonies, and I feel that federation would be more detrimental to us than any benefit we could gain from it. I think the Victorians would be able to place their goods in our markets here to the injury of our industries. In New Zealand we have four centres—Dunedin, Christchurch, Wellington, and Auckland. We are differently situated to Australia, where they have one centre for each State. Manufacturers there are able to dump down their oversupply goods in each of these centres here and get a good market in each town. This would militate very much against our manufactures in the several centres of New Zealand, and I think, taking every view of the question, federation would not be beneficial to the manufacturing interests of New Zealand.

663. Of course, under federation there would be intercolonial free-trade: how would that affect your manufactures?—Even then we would suffer from the cheapness of labour and material in Australia.

664. How about the larger establishments there: would they have any detrimental effect upon you?—They would be able to compete better than we could in the manufacture of articles in our trade.

665. In the event of federation, would there be any inducement to manufacturers in this colony to remove their establishments to the other side?—Manufacturers who are now suffering very considerably from slackness of trade would, I consider, have to go to some other place to work their trade in. I do not think we would be able to compete in New Zealand against Victoria.

666. Do you not think that having four million more people to trade with would be an advantage?—If we could get products and labour at the same price we could manage, but there is 20 per cent. difference in the price of labour and material against us—coke, bar-iron, coal, pig-iron, are all cheaper there than here. We pay 10s., 11s., and 12s. a day here, whilst over there they pay 8s. to 10s.

667. Have you considered what prospect there is of the rates of wages in Australia being assimilated to those of New Zealand, either by Australia's being brought up or New Zealand's being brought down?—No, I have not. I think the large amount of surplus population in the way of labour in Australia will always keep wages lower than in New Zealand.

668. Have you considered the matter from any other point of view than that of the manufactures?—No; only that from a financial point of view I think New Zealand would be better to expend her money in her own way. I do not think there will be any beneficial effect from getting the Federal Government to expend the money in New Zealand. I think we will get more money voted for works in New Zealand by remaining as we are than if we joined the Federation. As a British subject I have no objection to federation, but on manufacturing and financial grounds I think it would be a mistake.

669. What is your opinion on the question of New Zealand retaining her political independence?—I think New Zealand would be better to keep as she is.

670. *Mr. Roberts.*] You seem to place great stress on the cheaper labour on the other side, and the lower cost of material on the other side, as being the chief handicaps?—Yes, that is so.

671. We have the evidence of men in the South that iron is as cheap here as in Australia?—They get freights less to Australia than we do to New Zealand.

672. A man in Christchurch in a large way of business made the distinct statement that pig-iron was as cheap here as in Victoria?—I think he is mistaken.

673. He also said that, though wages were higher here, the capabilities of our own men were higher?—My experience is the other way. Good men go over there when there is regular employment.

674. Do you think the climate of Auckland is too near that of Australia to enable you to notice any difference?—However that may be, the people of Australia work longer hours than we do.

675. This man said that he could get more out of his men in eight hours than they do over in Australia?—I do not think so.

676. That is not your experience?—They all work in closed shops, and are not troubled with the heat of the sun. I do not think there is very much difference.

677. *Mr. Millar.*] I take it that you are afraid that as a manufacturer your trade will be curtailed if we federated?—I am almost sure it would. Even now we are suffering from being very slack.

678. The shops would have to rely on repairs?—We could not manufacture any new articles.

679. Looking at it from the rising-generation point of view, would you then be able to turn out such fully equipped engineers?—Not so well as if we manufactured new articles.

680. It would affect the rising generation to that extent that they would have to go out of the country to learn their trade?—I do not think there would be employment for them.

681. From a political point of view you think it would be better for us to remain as we are, where the people have complete control over Parliament?—I think we could get more value for the expenditure of our money. I think the Federal Government would not consider the interests of New Zealand so much as we consider them ourselves, and they would not know the requirements of the country so well as our own people do.

682. *Mr. Beauchamp.*] Did I understand you to say that trade was not flourishing in this part of the colony?—No, it is not. Down South it is brisk.

683. We were told that on account of the briskness of the trade down South the manufacturers could not put in tenders for railway-trucks: did you tender for that job?—No; I tendered for some dredges.

684. You are protected to the extent of 5 per cent.?—Yes.

685. Are you subjected to competition from Australia?—Chiefly from America.

686. What class of goods come from America?—All classes of goods.

687. Could you manufacture those goods here?—They could be manufactured here if there was inducement for the people to enlarge their premises and go in for the trade.

688. You have not the plant yet?—To a large extent we have not.

689. *Mr. Luke.*] How do you account for the cheaper material in Australia compared with New Zealand?—Freights on iron are considerably less than to New Zealand, and other goods, such as coke, are cheaper.

690. But is not Australian coke landed here higher in price than coke made in New Zealand?—No, it is cheaper in Auckland; but Greymouth coke is better than any Australian coke.

691. Do you find that a large amount of iron comes out in ships to New Zealand in the way of stiffening?—Very little.

692. Is it the case in Melbourne and Sydney?—Yes.

693. And that accounts for the cheaper freights?—Yes.

694. When you spoke of 5 per cent. on machinery, did you mean dairying machinery?—Yes; all kinds of machinery.

695. It has come under your notice that lower wages are paid in Australia than in New Zealand?—I have not personally seen it myself, but men in my works have told me, and I have heard it from other people who know the colony well.

696. Do you think the Australian workman quite equal to the New Zealand workman?—I do.

697. Do you agree with the statement made by manufacturers in the South Island that, owing to the colder climate, a man can produce more in eight hours in New Zealand than he can in a longer number of hours in Australia?—I do not think climate makes much difference.

WESLEY SPRAGG examined. (No. 142.)

698. *Hon. the Chairman.*] What are you?—General manager of the New Zealand Dairy Association.

699. How long has that been established in New Zealand?—Fourteen years.

700. Have you considered the question of New Zealand federating with Australia?—Yes.

701. Are you favourable to federation or against it?—I am generally unfavourable at the present time.

702. Perhaps you would shortly state to the Commission your views on the matter?—As far as my own business is concerned, I think it would be an advantage. It would give us a larger market than we at present have, especially in the altered conditions of Australia. We have hitherto had a market in certain portions of Australia. If Queensland wanted butter we were able to compete on even terms with New South Wales and Victoria, except as regards the difference in freights, because the tariff in Queensland operated equally. That will be done away with now, and Australia will be one place with free inter-ports. If New Zealand does not join the Federation we shall be prohibited by the tariff from carrying on business with these places, so that in my own business there would be an advantage in federation; which would open Australian ports free to our produce. Apart from this, I am at present of opinion that we have more to lose than to gain by federating. My reasons are several. The financial aspect of the question, which has already been spoken of, strikes me as being a serious one. It appears that we shall have to hand over to the Commonwealth a large sum of money, with only a problematical return for it. Then, looking at the lack of community of interest, that also strikes me as being an objection. I understand there are large works in contemplation which must be taken up or controlled by the Commonwealth Government. Take, for instance, irrigation, the trans-continental railway, and defence: I cannot think it will be to our advantage to have anything to do with these things. The provisions for the defence of Australia will probably not be such as would be of service to New Zealand, and all these things I understand we should have to help to pay for. In the matter of irrigation, the result of the work for which the expenditure would be incurred would be distinctly detrimental to our own agricultural and pastoral interests—that is, would help to make Australia independent of our produce. These are serious matters which cause me to feel that, notwithstanding the personal interest and advantage which I should derive from federation, I ought at the present time to oppose it.

I think it is possible, although I have no strong opinion in that direction, that the time may come when it would be an advantage to the colony to be more closely connected with the Commonwealth ; but should that time come I cannot see that there is a likelihood of any disadvantage to us from waiting until we know better what will be the influence of the new form of government upon these southern lands. It appears to me that it is always worth while to wait and consider when one is not sure. Now, as to who had better be intrusted with the control of the affairs of New Zealand, I think it is a mistake to delegate any portion of local government to people at a distance or who are not directly interested in or in touch with the requirements of a district. I believe in local self-government, and to delegate a large portion of our government to distant people seems to me at present to be an unwise step. I think federating with the Commonwealth would not hasten the federation of the Empire. I heard a gentleman who gave evidence a short time ago say he was of opinion that our joining the Australian Federation would be a step in that direction. I think not. I think if the people of Australasia were united in interests which were different from the general interests of the Empire we should have less desire for Imperial federation. Leaving the question of mere profit or loss aside for a while, there is one feature of this question which appeals to me. I believe that New Zealand has a mission among the nations of the world which can be better fulfilled by her being in a large degree self-controlled. I think we are a separate people placed aside in an island by ourselves, not wholly for ourselves, but providentially in the interests of the whole Empire and of the whole world, and I believe that we shall work out our destiny better separated for the present than if we were tied to the Australian Continent. Our experimental legislation, for instance, which has sometimes been an advantage to us and sometimes has not, has been an advantage to the Empire. Even our failures have been useful, because they have shown other people exactly what they ought not to attempt ; and where we have secured successes these successes have been object-lessons to the other portions of the world. By retaining our independent position as an outlying section of this large Empire we shall best serve the Empire and the human race as a whole.

703. You say that one reason why you might favour federation is because it would give you a better market in Australia for your productions?—I mentioned that as the one feature which would guide me in favour of our federating rather than others.

704. But your principal market for dairy produce is in London?—Quite true ; but the English market and the Australian market come at two different seasons of the year, and the Australian market is a very important one for us to have. When the English market is closed the Australian market is generally open.

705. Would that same argument apply to other manufactures in the colony as giving them a wider market in Australia?—Our commodity is so directly the product of the soil that I hardly look upon myself as a manufacturer. I think it would not apply to manufacturers generally. I think federation with Australia would be a disadvantage to New Zealand manufacturers.

706. Some witnesses who have been before us hold that if the colonial manufacturers cannot stand in competition with Australia they should be allowed to go to the wall, and we should only cultivate manufactures which are products of the soil : what do you say to that?—I am largely in favour of the survival of the fittest the world over.

707. You are a Free-trader?—I am.

707A. Do you say, in reply to my question, that if these manufactures cannot stand in competition with the manufactures of Australia they should be allowed to go under?—Yes.

708. Well, what would be the effect of that on New Zealand? Would it go back to a pastoral country?—To some extent it would. Industries not suitable to the country would be checked, but that would not be finally detrimental to this colony.

709. But do you think the time will come when they will be able to stand?—Yes, I think so. I think when large numbers of people come here it will be more convenient to manufacture articles required by them here in their midst than for the work to be done elsewhere. It will also be profitable then.

710. If the manufacturers cannot stand against Australia, what is the work of a large number of people to be?—I believe our present position should be one of a large connection with the land and the natural products of the country. We have certain natural industries here—namely, the production of gold, flax, kauri-gum, and timber, and all these things are natural industries in regard to which we can compete against the world.

711. And you think that New Zealand would prosper through the cultivation of those matters which you have now mentioned?—I think that following the natural productions of the country would always be an advantage to any country, and, of course, to New Zealand.

712. And you think the manufactures are not necessary to the mercantile welfare of New Zealand?—I think that manufactures, as far as the requirements of the country are concerned, are distinctly an advantage to a country like New Zealand ; but I think it would be a mistake for us to attempt to manufacture, or to export to a country where they can manufacture cheaper and better than we can here.

713. But have you no fear that, with inter-State free-trade, the local manufacturers would be swamped from outside?—I have no fear of that in the case of legitimate industries.

714. Take the clothing and boot trades : how about them?—In speaking of them I am speaking of matters I know very little about, but I should imagine that those factories would be able to hold their own against the world if they are properly planted here. I am told, for instance, that wool is cheaper here, and that of some goods a better article is actually made here. I have also been told that some kinds of manufactured woollen goods can be sent from here to England and be sold there to advantage.

715. Holding the views you do upon political economy, do you think that federation would be a distinct advantage to New Zealand?—I have said it is better for New Zealand to remain as she

is—apart by herself, having autonomy, with no interference from outside. It is better, in the interests of the race, that she should retain that autonomy, and work out her own destiny as she is doing at the present time. As a Free-trader, I think any consistent movement in the direction of free-trade, as in the case of reciprocal tariffs for the whole of the Empire, would be an advantage; but free-trade throughout the world would be a greater one still.

716. Would you say that New Zealand should carry on as she is doing now?—Yes.

717. But it is carrying on with a highly protective tariff?—If you mean carry on on independent lines, yes. I am not aware that absorption in the Commonwealth would assist New Zealand to become a free-trade country. I think rather to the contrary. For instance, the Customs tariff would be fixed by the combined colonies. The principal control would be in the hands of the Federal Government, while as we stand at present the question of taxation is entirely in our own hands, and we can adopt our own plans to find the necessary means to carry out the works we desire to undertake. Even if it is thought that protection suits us we can have that if we like.

718. Taking the whole of the States in the Commonwealth, can you say that their tendency is in favour of free-trade?—I fear their tendency is generally in favour of protection.

719. If this is so, do you think New Zealand would be likely to bring about a policy of free-trade more speedily by herself than by being connected with the Commonwealth?—Certainly; more speedily by herself.

720. *Mr. Leys.*] Would not the first effect of federation on our manufactures be to lower wages if this free-trade policy were generally adopted?—I think so, in fictitiously supported industries; and, indeed, to close up certain manufactures.

721. And add to the struggle for existence?—Yes, for a while.

722. What would be the social result to the working-population of this lowering of wages?—Well, it might have a useful result in bringing the claims of the working-people very strongly before the country, and compelling some other provision to be made for them—something that would give better results for their labour. We have had instances here in Auckland City where a depression in trade has forced the people on to the land without any hurtful results to them.

723. Can you contemplate calmly the throwing-out of employment of the dozens of people now engaged in our factories?—To do anything suddenly is generally an unwise thing; but, where an unnatural condition of affairs has grown up, distress to somebody is the price of getting back to right conditions.

724. In that case, so far as amalgamation with this Commonwealth affects our manufacturers, do you not think it would not be advisable for us to take such a step?—I think not.

725. Do you not think that industries might be perfectly natural to a country, and still the conditions of outside competition—cheap labour more especially—may be such as to make that industry non-payable without protection?—I do not call to mind any example.

726. Take bootmaking, where we produce the leather in the country: do you call that a natural industry?—I think so.

727. Well, we have evidence from bootmakers all over the country that that industry would be destroyed through two causes—cheap labour outside, and great specialisation in manufacture, which is impossible in this country?—If that is so, then you have a case where the protection should be withdrawn by careful degrees. I would remove needless support from industries that are natural to the place, but this should be done in a common-sense manner. I would take away the props carefully, to let matters readjust themselves as naturally as possible, and thus avoid inflicting needless hardship on people who have been taught by the system to look upon protection to their industry as a normal state.

728. I understand from your evidence that you are a believer in social legislation?—Yes.

729. Is not the object of that social legislation largely to protect the worker?—It is to give everybody fair-play.

730. Is it not to protect the worker against what we regard as unnatural and evil conditions which are brought about by excessive competition?—Yes; to protect or deliver from wrong conditions, however they arise.

731. Do you recognise that the conditions of labour in many countries are becoming unnatural?—No; the conditions are bad, but they are the natural outcome of surroundings produced by vicious laws or customs. Under proper conditions they would be unnatural.

732. Do you think the sweating conditions of labour in the east end of London unnatural conditions?—Sweating is not natural in the best sense of the word, but it is the natural result—the complement to other conditions as they exist.

733. Supposing our clothing industry were shut up through the importation of garments made by this sweated labour, would you regard our industry as being destroyed through inadaptability to the natural conditions of the country or through unfair competition?—We may have every sympathy with the people in London who have to work under such conditions, but we are unable to directly help them. Since these goods are for sale, it is a distinct advantage to us to be able to get them at the prices, and it would be better for us to give up making them here and devote our attention to something else in the meanwhile.

734. You think it would not be advisable to cultivate those branches of manufacturing here by establishing what we consider to be reasonable conditions of labour?—I would not give fictitious encouragement to the establishment of fresh industries. In respect of those already established, I would remove the support by degrees to minimise the hardship which would follow the effort to return to a right position, but I would have the definite intention of getting to free-trade, and of raising the needed revenue by natural taxation.

735. Can you refer to any country in the world whose manufactures have not been built up under protection?—Just at present, no.

736. With regard to the markets in Australia, do you think the agricultural interest would

benefit by federation?—I fear, taking it as a whole, the agricultural interests of New Zealand would not benefit. For my business, I think yes; but for the agricultural interests as a whole, I think not.

737. Why do you come to that conclusion?—Because it will often happen in Australia that agricultural products can be raised more cheaply there than here. The work is done on a larger scale in some instances, and there are certain colonies that are better fitted than we are for the growing of certain products, and, excepting in seasons of drought, the production is larger than ours.

738. You think that the country, having such a large land area, must necessarily look to agriculture in the future as one of its chief sources of production?—Yes.

739. And in that case our market must really be in countries where they have not such large land areas?—I think so, or where conditions of climate, &c., are less favourable. I think we have a greater reciprocal interest in South Africa than we have in Australia.

740. Do you think there will be any difficulty in finding markets for our produce that might be displaced by a hostile tariff in Australia?—I think not. I think profitable markets can be found in South Africa for certain classes of produce.

741. Then, you do not contemplate that it would be a serious thing to our agricultural interest to be shut out of Australia?—I do not.

742. *Mr. Reid.*] I think you indicated that you are opposed to federation at present?—Yes.

743. Do you contemplate the time when it would be profitable for New Zealand to join the Federation?—No; but I think, if such a time arrives, we shall find it has not been a disadvantage for us to wait. I do not think there will be more difficulty in the way of our federating on advantageous terms than there would be at the present time.

744. Are you prepared to indicate a time?—No. My judgment is that when I can take time to consider a question without the delay seriously prejudicing my position I ought to take that time. That is my attitude in this matter.

745. You do not think that the delay might be prejudicial?—I think not. Delay might have the opposite effect, and actually bring to us a request from the other side to federate.

746. Would it not rather have an opposite effect by hardening things into a stereotyped condition which would be hard to remove?—That is a possibility, but I do not contemplate it.

747. Are you familiar with the terms of the Commonwealth Act?—Fairly so, but not intimately.

748. You are aware that it lies with the Commonwealth Parliament to make terms and conditions?—Yes.

749. Then, do you not think that it would be a disadvantage to New Zealand if she were to seek an entrance into the Commonwealth after delaying the matter—that the lapse of time would be a bar?—I do not think it would.

750. Are you prepared to intimate any special conditions that we should stipulate for in the event of deciding to join?—Unless special reasons arose, I would wait for communications to arrive from the other side, and be governed by circumstances.

751. *Mr. Luke.*] Have you thought of the black-labour question?—Not seriously.

752. Do you think it is possible to carry on the sugar industry without coloured labour?—My opinion is not worth much on this subject, but such as it is I give it: I fear this industry could not be carried on without coloured labour.

753. Do you not think that by admitting numbers of coloured people they might ultimately overrun the whole continent?—I can quite understand that might be the result, but I am not apprehensive that the consequences of having a large coloured population would be serious if they were governed wisely and justly, as such people will be governed some day.

754. Do you know the number of persons engaged in the manufacturing industries in New Zealand?—No.

755. There are 49,000. Do you not think that federation would have the effect of dislocating a vast volume of trade, and that these 49,000 people being partly thrown out of employment would mean a very serious disaster to New Zealand?—A sudden dislocation of any kind would probably be a serious matter.

756. Then, you think it is to our interests to maintain these industries?—Yes. I answer your question in the affirmative; but I ask you to bear in mind the suggestion I made, that in making changes they should be made with the least degree of hardship to the people or industry affected. Retain the industries by all means, but put them on a healthy footing.

757. You stated that we ought to pause before we entered into the Federation; but will not there always exist between the States of Australia a community of interest which cannot possibly exist as between them and New Zealand, and will not that always be a disadvantage to New Zealand?—Not necessarily.

758. You do not think the separation by twelve hundred miles of water is a disadvantage?—Not for all time.

759. However long we may wait, that disability will always exist, will it not?—Always; but I do not think it is a fatal disability.

760. *Mr. Beauchamp.*] At the present time Ministers of the Crown are easily accessible in New Zealand: do you think we would be at very much disadvantage through the Ministers or representatives of this colony being compelled to reside so far away?—It would be a great disadvantage.

761. Do you think that between the two countries there would be a certain interchange of products sufficient to warrant their entering into a reciprocal treaty?—I do not. I think that the products of the two countries are too nearly alike for reciprocity of that kind.

762. *Mr. Roberts.*] Does your association export largely?—Very largely; mostly to the United Kingdom, where we have sent this year about 800 tons.

763. I noticed that in 1899 six thousand pounds' worth of butter was sent from Auckland to Australia?—That would be the entry for the Customs duty; but the actual value would be very much more than that, as it is impossible to tell what will be the selling-value of these articles; so that the trade rate is entered up. £8,000 would probably be nearer the mark than £6,000.

764. I find that something like 11 per cent. of the whole of the butter export goes to Australia?—I think less is going now than in the past, because the Australian production of butter is increasing yearly.

765. Then, do you not expect that with federation the exports from New Zealand to Australia would decrease, and the exports to England would increase?—Not seriously. With inter-State free-trade there would not be any great increase. Anything sent to Victoria would be for transshipment under bond, and would not be for Victorian home consumption.

766. Do you think that the exports to Australia for last year, which show a considerable increase, are partly comprised of produce for transshipment in Australia?—Yes, for re-export to South Africa.

767. And would those remarks apply equally to New South Wales?—Yes.

ALFRED STURGES examined. (No. 143.)

768. *Hon. the Chairman.*] You live at Otahuhu, and you are the vice-president of the Fruit-growers' Association?—Yes.

769. Are you a delegate from that association?—No, I am giving evidence on my own account; but I might say that the association is the largest in New Zealand.

770. What effect do you think federation would have on the fruit industry of this country?—It would be inimical to the best interest of New Zealand as a whole. The distance by sea is very great, and is a considerable difficulty, and also the fact that a large portion of the Continent of Australia will be developed by coloured labour, which will have a disastrous effect on social conditions, and also on manufactures carried on by white labour. Under these conditions the competition of Australia, if there were no barrier of Customs duties, would overthrow the industries here. Looking at the experience we had in the old provincial days, though I would not like to go back to that form of government, I cannot forget the fact that for years the North Island suffered through not receiving her fair share of public expenditure, and the same experience for the whole of New Zealand in a much more aggravated form would be the case if we became a State of the Commonwealth, because we should be governed from a capital in Australia.

771. Do you think the fruit trade would be able to survive against the competition of Australia without a protective duty?—Ultimately; though it would take a long time to build up our industry without protection, because, although New Zealand can produce certain fruits that Australia cannot, the grape industry to a large extent would be dislocated. A fruit-grower a few miles out of Sydney told me two months ago that he was praying for federation with New Zealand, because the New Zealand fruit-growers could not compete against the fruit-growers of Australia. Some witnesses, I notice, have stated that labour is higher in Australia than here; but I have a son at Mildura, and he writes to me to say that labour, for which we pay £1 10s. a week for here, is only £1 there. I have an orchard of 30 acres at Otahuhu, and my labour account is not less than £400, and more often £500, a year.

772. *Hon. Mr. Bowen.*] I have heard it stated that the North Island cannot supply certain fruits to the South, and they have to be imported from Australia—such as lemons: is that correct?—You will find in a certain time that the northern part of New Zealand can provide all the fruit New Zealand requires; but, of course, you must remember that the industry is in its infancy, and it takes a long time to develop it, but the North is capable of producing the amount required.

773. You never see a North Island lemon in the South Island?—I beg your pardon, I have lemon-trees growing at Otahuhu, and I ship lemons from here to Wellington, Dunedin, and Christchurch.

774. *Mr. Beauchamp.*] Are you of opinion that we can grow as good fruit in this colony as is grown in California?—Better. I am not giving you my own opinion, but of two brothers who are canning at Whangarei, and they say the quality of New Zealand peaches is very much better than the quality of the Californian peaches.

775. Is it true that, owing to the prevalence of the insect pest, we do not grow as good fruit as is grown in some parts of America?—In certain parts of America they can grow apples very much superior to ours.

776. But probably in New Zealand we can grow as good fruit as is grown in any part of America?—As good as is grown in any part of the world.

777. And is our failure to do it in the past attributable to our neglect to pay sufficient attention to our orchards?—Not at all. The mistake is that we have planted trees not suitable to soil or climate, and have had to begin over again.

778. In the matter of fruit, can we compete with the Tasmanian?—Yes.

779. We have been told that the people of this colony are not satisfied with the price they get for it: what is your opinion of that matter?—I am of opinion that the volume of trade in New Zealand is very good indeed.

780. Are the people here satisfied with the amount of protection they have?—Yes.

781. *Mr. Luke.*] Have you any jam-factories here?—Yes.

782. Do you grow for the factories?—No.

783. Does fruit-growing for manufacturing purposes pay the grower?—I think so. We sell the surplus to the jam-factories.

784. Would it pay you to grow specially for jam-making?—It would for canning purposes, and it might for jam-making.

785. You grow raspberries?—No.

786. What fruits do you grow?—Peaches, plums, pears, persimmons, and lemons.

787. You do not export any fruit to Australia?—No.

788. Still, some of their fruit comes here?—Yes.

789. Is that island fruit or Sydney fruit?—It comes from Australia, and we (Auckland) only get bananas and oranges from the island. Australia grows large quantities of fruit, and they must find an outlet for their surplus. In fact, they can make very little out of the large portion they send here, and it is only sent in the hope of getting a small profit, which they do not always get.

790. Do you think that under federation we could grow fruit and export it to Australia?—No.

791. *Mr. Leys.*] What is the duty on fruit here?— $\frac{3}{4}$ d. to 1d. per pound.

792. Do you think that the import of fruit to New Zealand would increase if there were intercolonial free-trade?—No doubt it would.

793. Do you think our fruit-growers could hold their own against the Australian fruit-growers if there were free-trade?—It would be a question of time, and meanwhile they would suffer very serious loss, until they grew fruit specially adapted for this colony in sufficient quantities and sold it at such a price as would keep out the imported article. They would have to grow fruit that the other colonies cannot grow; for instance, they do not grow very good apples in Australia, but they grow good pears.

794. Does it not seem an extraordinary thing that a perishable product like fruit can be shipped here from Australia at a duty of from $\frac{3}{4}$ d. to 1d. per pound, and compete with our own growers?—That is explainable by the fact that they only send at a time when we have sold all ours. California also sends apples here when our crop is done.

795. Do you think the effect of intercolonial free-trade would be to lower the price of fruit for a while here?—I think so, for a certain number of years, because our fruit-growers would only grow those fruits which the climate was most adapted to.

796. Is there a large population dependent on fruit-growing in New Zealand?—Yes, more especially north of Auckland.

797. Then, you would regard federation as likely to do a serious injury to the settlers in this part of the colony?—I think so.

798. *Mr. Millar.*] Is the canning of peaches at Whangarei a large industry?—It is only just beginning.

Rev. GEORGE MACMURRAY, M.A., examined. (No. 144.)

799. *Hon. the Chairman.*] What is your official designation?—Vicar of St. Mary's Cathedral, Parnell.

800. I understand you have given some attention to the question of the federation of New Zealand with the Australian Commonwealth?—That is so.

801. Will you be kind enough to let us hear what your views are?—I may say that, having lived for nearly seven years in Australia and nearly nine years in New Zealand, I know something of the matters which are involved in this problem, and, that being so, I feel I can unhesitatingly say it would be for the interest of Australia and New Zealand that we should federate. I think the problem is largely a geographical one. I believe there is little doubt that if New Zealand lay a hundred miles off the Australian coast federation would be carried by an overwhelming majority of the population. I believe if New Zealand were twice as far away as she is there would be no question of federation at all. I have here a map showing the maximum of ocean of the globe. New Zealand is very nearly in the centre of this hemisphere, and in that hemisphere Australia and New Zealand are practically isolated from the rest of the world. It seems to me that God and nature have said that these two countries are going to dominate that hemisphere if they are united, or they will quarrel if their interests are not one. It seems to me that there must be rivalries and jealousies between the two countries, which will continually increase if their interests are not united. Human nature being what it is, if the two countries have different interests, no matter how closely they are allied in language, race, and creed, they will quarrel, and that will be the future history of these two countries if their interests are not united together at an early stage of their history. All history tells us that no ties of kindred, race, or religion keep people from quarrelling if they have diverse material interests, and that the interests of New Zealand and Australia will be diverse as regards their influence in the islands of the Pacific there is no doubt if they are kept separate countries, with separate Governments; and I feel, whilst the nations are young there will be comparatively little difficulty and loss in binding them together into one great people, and thus preserving unity and peace in the future. I feel certain that if there is no federation there will be strife. Possibly, at first, only commercial and industrial strife, but there is no saying that there may not be worse still in later days. If questions of conflict arise between the two countries, how will they be settled? If the Mother-country interferes to settle them, will it help Imperial federation if she decides in favour of Australia against New Zealand—the stronger against the weaker; or, if for New Zealand against Australia, will it help to keep the Australian Commonwealth in the bonds of the Empire? There seems to me to be danger to Imperial federation if the two countries are not federated. The Mother-country is bound to try to prevent strife, and is certain to give offence when she decides in favour of either. I look upon the federation of the two countries as a help towards Imperial federation, though I have been told that members of the Imperial Government feel differently. I think that feeling, if it exists, is a remnant of the "divide and rule" policy that has well-nigh wrecked the Empire. In any problem you are much more likely to get a solution if the factors are few than if they are many, and the more equal the factors are the easier the problem is of solution; and if you can resolve the question of Imperial federation into the federation of, say, three large Commonwealths—Canada, South Africa, and Australasia—you will have gone a long way towards helping forward Imperial federation, whereas the existence of a small factor like New Zealand claiming to have an equal voice with a great factor like Australia would imperil the solution of the whole problem.

Then, as regards industries, I have read that a good deal of evidence has been given to the effect that the industries of New Zealand would suffer if we had federation, and that wages would be reduced. Now, it is twelve years exactly since I came to New Zealand for the first time from Australia. What struck me then as to the condition of the working-man in New Zealand was that his wages were lower than the wages of the working-man in Australia.

802. That was twelve years ago?—Yes; and to-day we are told that the converse is the case—that the wages are high in New Zealand and lower in Australia. It seems to me that the present condition of things in New Zealand is purely temporary. Twelve years ago Australia was wildly prosperous—at least, externally so—and at that time New Zealand was under a cloud of depression, and wages were very low. Things have changed. Australia went through a period of what is vulgarly called “a slump.” New Zealand has had its seven years of plenty, and the working-man of to-day is comparing his wages with those that are being paid in Australia at the end of a slump. It is not a fair comparison; and I have no hesitation in saying that five years hence the relative wages in Australia and New Zealand will have very much changed from what they are to-day. And I think it is reasonable to suppose that that will be so, for this reason: New Zealand has a better climate, and has natural advantages that make it a much more desirable country for men to live in than Australia; and if men in Australia know that they can get more comfortable conditions of life in New Zealand, and higher wages, human nature and the enterprise of the British workman are very different from what I believe them to be if the balance is not rectified by emigration from Australia; but I believe that the Australian workman is confident that whatever advantage there is in New Zealand is only temporary. Again, I believe that the industries of the world are not going to be settled by any small community. I believe there is a period of great industrial warfare before civilisation, and the factors are large that are going to take part in that struggle—take, for instance, factors like Germany and America. And it is, to my mind, attempting the impossible for a little country like New Zealand to think it can isolate itself from the world and maintain a contest with the industries of the world; and I think the only chance that the New Zealand industries have of holding their own in the warfare of the future is that they should be identified with the Australian industries, and so bring a large factor into that strife which, as certain as to-morrow's sun will rise, will resolve itself into a fight for the commercial supremacy of the world. It has been said that we shall lose our identity if we federate with Australia. Have Scotsmen lost their identity by entering into the British Empire? It is ridiculous to suppose they have; and we shall not lose our identity. But we shall bring a factor into the Commonwealth which is sorely needed to make the Commonwealth a great success. New-Zealanders will have a distinct individuality—they will supplement the capacities of the Australian. It has been said that we should be overwhelmed by the voting-power of the Australians in the Australian Parliament, and that we should not get our fair share of the votes for roads, bridges, railways, and so forth; that we should not be able to maintain our own. I am afraid that is a very poor way of asserting the individuality of New Zealand, if she is not able to hold her own in a united British people. I think we have only to send Mr. Seddon over there, and, instead of Australia annexing New Zealand, we shall annex Australia. Our statesmen have an individuality and force of character that make them quite equal to the Australian statesmen, and I believe the peculiar circumstances of New Zealand would give her a weight in the councils of the Commonwealth that, as regards representation, her numbers alone would not justify her having. In the Commonwealth the great colonies of New South Wales and Victoria are bitter rivals, and New Zealand would be able to hold in her hand the balance of power between these two great colonies, and I believe she would have a largely predominant voice in shaping the course of the Commonwealth. Whatever the future may be, whether we federate or not, one thing is certain: we shall be influenced greatly by our one great neighbour in this hemisphere. Therefore it is to our interests to see that the course of the Commonwealth is one that will be satisfactory to our interests, and that its influence will be an influence for good. How can we secure that best? By standing outside and looking on the Commonwealth with jealous eyes, or by entering into the Commonwealth? Surely the influence of New Zealand within the Commonwealth, if we believe New Zealand to be all we say about her, will be an enormous factor for good; and the benefit to the Commonwealth will be enormous. I believe that benefit would be shared in full by New Zealand herself. But one thing is certain: that the course of the Commonwealth with New Zealand standing out will be a different object in history to what it would be if New Zealand federated with it. And in this relation let me make reference to the question of coloured labour. If Australia becomes a country in which coloured labour is to a large extent used, we here in New Zealand shall not be able to get rid of the influence for evil of such a course, and, if New Zealand were in the Commonwealth, it seems to me that the possibility of coloured labour being allowed to any dangerous extent would be simply wiped out of existence. It is an open problem now, without New Zealand, what the outcome will be; it would be a certainty, I think, if New Zealand were in the Commonwealth. Then, as to the Commonwealth Act, I say frankly I should infinitely have preferred to see appeals to the Privy Council, as the birthright of every Britisher, preserved; but, still, I do not think that in itself ought to be a barrier to our entering into federation. Then, as to the other blot upon the Act, as regards the question of the aboriginal vote, I am not a lawyer; but it seems to me that, whilst we should not get credit for the Maoris in New Zealand when reckoning the number of representatives we should have in the Federal Parliament, yet, so far as my reading of the Act goes, I do not see why every Maori should not have a vote. It would mean that we should lose one representative, but it would not bar the Maori from voting for a member of the State Parliament. The effect would be to deprive New Zealand of one representative that she is justly entitled to, but that is so trifling a matter that I have no doubt it would be remedied at the earliest opportunity. So that the only permanent blot in the Act is that we should be deprived of full and free access to the Privy Council, but that, I say, is not sufficient to justify our standing out of the Federation.

803. Have you followed the history of the Federation in Australia?—I took a considerable part in the initiation of the movement in a small way in my own district. I was one of the first persons in my district who took the question up. I spoke on a public platform, and tried to rouse the Australians to take an interest in it.

804. They wanted rousing?—Yes, just as badly as New Zealand does to-day.

805. How was it that between 1891 and 1895 the Act prepared by Sir Samuel Griffiths was not taken up by the Australian Legislatures?—They were just like New Zealand to-day over it. The uncertainty frightened them. They did not know what was going to happen, and the times were such that they thought it better to put up with the evils they had than to fly to others that they knew not of.

806. Even as late as 1899, when the Legislative Council of New South Wales declined to agree to the Federal Bill?—That was owing largely to the local jealousies between Victoria and New South Wales.

807. You are of opinion that Imperial federation would be promoted by New Zealand joining the Australian Commonwealth?—Yes, I think so; and I think that the holding-together of the Empire will be seriously endangered by our not uniting our interests.

808. Is it not a fact that the Canadians are averse to any further development of the Imperialistic policy?—Very probably at present.

809. Do you think it probable that the Commonwealth of Australia may evolve into an Australian republic?—It may or it may not, just as wisdom prevails in the councils of the statesmen at Home and at this end of the world. I believe nothing would bring about that result so quickly as an acute difference of interest between New Zealand and Australia, in which the Mother-country intervened to prevent trouble.

810. Now, assuming that an Australian republic did eventuate, and New Zealand had joined that Commonwealth, what would be the cost to New Zealand as regards Imperial federation?—It is impossible to say what the future would produce, but I believe that the factor of New Zealand in the Commonwealth would almost certainly prevent such a thing taking place. It would lessen the causes that might bring about such a possibility, and it would bring a factor into the Commonwealth which would always tell for maintaining the tie with the Old Country.

811. Do you not think the chances of Imperial federation are stronger with two nations in the Pacific?—If the two nations are somewhat equal in resources and population, possibly it might be so; but with two factors which are so unequal, and which will be more unequal in the future, I believe it would not help that federation.

812. Are you looking at this question as merely of to-day, or with regard to the lapse of a number of years?—I am looking at it for the future, for I am sorry to say that I have no hope of federation to-day. New Zealand is too much asleep to her own interests.

813. What period of time do you define by the future?—I am not a prophet.

814. What do you think will be the probable population of New Zealand fifty years hence?—I suppose it might be three millions at the outside.

815. And in another fifty years after that?—Well, God only knows, I do not; it is impossible to say.

816. But it would not be the insignificant place you speak of it as being now?—It is not insignificant now, because there are great potentialities in it, and it will not be insignificant then; but it will be weak as compared with the resources and population of Australia.

817. Do you attach no importance, then, to New Zealand sacrificing her independence?—I do not think she would do so by federating, when I believe that for everything we surrender we should gain an equivalent in the control of the greater body. I believe, if any weight is to be attached to heredity and better circumstances, that the New-Zealander will be best fitted to come to the top of the tree in the Commonwealth.

818. Do you think the manufactures of New Zealand will not be prejudicially affected by our joining the Commonwealth?—I do not think so. It is possible the immediate effect of federation might be dislocation to certain trades; that is inevitable.

819. But you think in the long-run it would be an advantage to many trades?—I do, because New Zealand has an advantage of climate which will enable her to raise workmen better able to work, and she will be in a position to produce better work than the workmen of Australia.

820. I take it your profession does not enable you to study the financial and business questions so deeply as those engaged in them?—As a clergyman, I am not supposed to know anything about business; but still I do know a little, though I do not profess to be an expert on such questions.

821. Then, if your view is the correct one, how is it that the majority of manufacturers throughout the colony do not express an opinion in favour of federation?—I believe the reason for that is this: No man likes to face the prospect of an immediate shaking of his position, and there is no doubt about it that federation would introduce such widely different circumstances that there would be an anxious time for every manufacturer.

822. Have you considered how the finances of the colony would be affected by federation?—I am not a financial expert, but there is no doubt there would be a call upon this colony to pay her quota of the Commonwealth expenses; but I believe she would get her full value for it, and I do not think for a moment that we should be sacrificing anything that we should not get a full return for. If you take as an illustration great States like those of America—supposing they were not federated, and were existing as fifty or sixty independent States—would any one deny that in order to join in a federation they would have to sacrifice much? Of course they would; every State joining in the union would have to lose something to gain much.

823. You referred to the distance of New Zealand from Australia: does not that seem to point to the fact that nature intended New Zealand to be a separate colony?—I pointed out on the map

that these two countries were separated from the rest of the world, and the distance between the two was comparatively small. In fact, the people who talk about the distance as "twelve hundred objections to federation" are people who remember the time when it took twelve days to cross the Tasman Sea. It is now only a matter of three days, and twenty years hence it will only be a matter of thirty-six hours to go across to Sydney. The inventions of last century, and the possible inventions of this century, will reduce the intervening distance to a trifle.

824. Can you refer us to any case in history in which any country separated by such a distance as we are has federated with another country?—It would be impossible, because twelve hundred miles in the ancient days would be an insuperable barrier.

825. Take ancient or modern history?—What I say is that history teaches us this: that, however identical in race, language, and religion two nations may be, if their interests differ, nothing could prevent them quarrelling.

826. You think it would be to the advantage of New Zealand to federate?—I do, unmistakably. There is one point I wished to speak about: that was the matter of defence. It has been said that the army of Australia would be of no value for the defence of New Zealand, inasmuch as it could not get here. I maintain that the true defence of these countries is on the sea, and not on the land; and if Australasia is ever to hold her own it must be on the sea, and it would be impossible for a little country like New Zealand to develop a navy of her own for her own defence, but it might be quite possible in the days to come for the Australian Commonwealth to have a navy that would secure the defence of the whole Commonwealth.

827. Do you not think it would be much easier for New Zealand to be defended by the British fleet?—Yes, for the present; but I do not think we can expect the taxpayer in the British Isles for all time to find the money for the defence of Auckland and Wellington and New Zealand. As New Zealand grows she will have to find her own defence.

828. *Mr. Leys.*] Do you not regard the present federation of all the British colonies under the Empire as a substantial federation?—It is, in a very vague and indistinct way. It is as much as I should like to see at the present stage of the Empire's growth, but it is not a condition that can remain for all time. When New Zealand has five millions of people, and Australia has forty or fifty millions, it would not be possible to regulate a foreign policy by a Cabinet elected by the people at Home alone. We must shape something for the future by which the whole of the Empire will have a voice in the control of the foreign policy.

829. At present you do not look upon Imperial federation as a matter likely to come about in the near future?—Hardly within the lifetime of the present generation of men, but I think it will come in a generation or two.

830. You spoke of New Zealand and Australia looking upon each other with jealous eyes: could we not go on in a perfectly friendly way under our own Constitution?—Two or three times lately little questions have arisen which show how quickly jealousy may be aroused—about who is to be managing representative of these colonies on the cable directorate, or something of that kind, and at the present time there is the agitation for the annexation of Fiji and other islands; and I think if the Commonwealth of Australia were not so absorbed within itself at the present time it would look with very jealous eyes upon any such policy on the part of New Zealand. These two countries, either unitedly or separately, are going to dominate the Pacific, and if they are not united rivalry and jealousy will set in.

831. If our interests by reason of our geographical situation are essentially diverse, would the quarrel be more serious if we were tied up in the Federation than if we were separate?—It would make all the difference if we were in the Federation, for it would be to the advantage of both to extend their influence. If we are separate we shall want to have a large area in which to sell our goods, and Australia will want the same. If we are united there would be no cause of jealousy or hostility, because both would have the same interest in these islands.

832. You lay very little stress apparently upon this division by sea: is it not a fact that at present the division by sea prevents anything like a common public feeling between New Zealand and Australia?—Yes, it does, because we have nothing to make common opinion between them and us. I have never met a New-Zealander who has lived a number of years in Australia who is not heart and soul in favour of federation.

833. West Australia is very much further away from Sydney, we will say, but is it not true that there is far greater interest taken in the affairs of West Australia in Sydney and the other centres than is taken in New Zealand?—Yes, that is so, and for several reasons. There is a considerable amount of Sydney capital invested in the West Australian mines, and where the treasure is there will the heart be also, and naturally the Sydney people take an interest in the place where they have invested their money. That is not the only reason. I believe that the somewhat distinct and definite attitude of the New-Zealander towards Australia on the matter of federation makes the Australian feel that the New-Zealanders do not want to have anything to do with them, and they let us alone. But let us once have united interests and you will see the growth of that feeling at once.

834. Was not that lack of interest in New Zealand affairs and communion of interest in Australian affairs noticeable before ever this question of federation became prominent?—I do not think so. My experience of Australia was that an Australian, prior to the advocacy of federation, was a Victorian, New South Welshman, a Queenslander, and my impression of seven years there was this: that the separation into separate colonies was creating strong barriers between these different States, and I believe those barriers would have grown and multiplied if federation, by the mercy of God, had not come to break them down.

835. Is it not a fact that the border duties and the overlapping of one colony with another had as much to do with the bringing-about of federation as anything else?—It had a good deal, because it led a great many Australians to realise that the fictitious divisions between men who ought to be

brothers ought to be broken down, and that it would be for the good of all to have them broken down; and that is what we want to teach the New-Zealanders.

836. Was that not a condition in Australia which does not exist with us?—We have not got the fictitious boundaries in New Zealand such as existed in Australia. There is that difference.

837. Is it not true that all the colonies of Australia are greatly interested in the development of large tropical areas?—Yes.

838. Does that not give them a community of interest in a Federal Government which can develop those areas?—That is so.

839. Does that not create a national interest for Australia in which we have no share at all?—No. We have no direct share in it; but if we are going to annex Fiji and other tropical islands we shall have precisely the same problem, and it will be much better for New Zealand and Australia if the whole question of tropical interests can be dealt with by one Power.

840. You have already noticed that the whole question of northern tropical Australia is a moving factor in Federal politics?—I have.

841. Do you not think that one of the first measures undertaken by the Federal Government will be a scheme for the development of northern Australia?—I do not think it will come at first. It may, of course, but I am not quite competent to give an opinion. It is not likely to be taken up at an early date on a large scale.

842. Have you not noticed that Mr. Barton has already announced it as part of his programme?—That coloured labour will be put out in ten years.

843. And also the construction of the trans-continental railway and the development of central Australia?—I understand he has made that statement.

844. Can you suggest any course by which these works can be carried out, except from the Customs duties levied on the whole of the colonies?—I do not know where or how they will carry on the works, but it is quite certain that Australia will have to be developed, and it is also quite certain that the Federal Government will have to take its share in that development; but I am perfectly certain that New Zealand will always get her full share of the revenue. I believe that her representatives will be able enough to take care that New Zealand will always get her full share of the expenditure that she is entitled to from the Federal Government. Money will have to be found for great operations, and I do not expect to see Wellington and Auckland joined much sooner than under federation. We are very slow in our growth in many ways, but I do not see why the Federal Government should not take that work in hand, and give us a trunk railway from the roadless north down to Wellington, and by doing that give us our fair proportion of the moneys that would be expended on railway development throughout the Commonwealth.

845. If those moneys are to be raised on our own security, could we not do that kind of work as well, or better, ourselves?—If the only question at issue was the development of the country by railways, probably we could; but it is not the only question at issue. It is a subordinate question. I am satisfied we would be at no disadvantage by being in the Commonwealth on that score.

846. You think that the politicians would have community of interest, and that five-sixths of the voting-power in the Federal Parliament being Australian would be no bar to our getting justice?—I believe the New Zealand representatives would be quite powerful enough in the Commonwealth Parliament to secure justice for New Zealand.

847. Well, now, with regard to administration: already the Federal Government are taking over the Post Office, the Customhouse, Marine, Defence, and in all probability they will take over other departments: do you believe that the administration with regard to New Zealand matters can be as efficient with the heads of departments in Melbourne or Bombala, or wherever the Federal capital may be, as when the administration is in New Zealand itself?—Well, I am a great believer myself in decentralisation, and I think there are many things that probably would be better attended to if the area of operations was not so large; but at the same time I feel that the trade between Australia and New Zealand, if federated, would become so enormously great that it would be to the interests of Melbourne and Sydney people to look after the lighthouses and other things necessary for trade, and they would compel a right administration in New Zealand just as well as the New Zealand representatives would. I look forward to an enormous development of trade between the two countries, and that in itself would make it certain that the Melbourne and Sydney people would use their own influence at the back of the New Zealand representatives to see that such things were not neglected on the New Zealand coast.

848. Is it not a fact that the articles both countries produce are very much on the same lines; and, if so, of what is this trade to consist between the two countries?—Well, it is a curious thing that even in countries where the articles are the same there is an interchange of commodities at different times and different seasons. I remember once in Australia I went down to Warrnambool, a great potato district, and I found them importing potatoes into Warrnambool. The markets were such that it suited the merchants to do it at that time. You must remember this: that Australia is a country which has not got great areas of agricultural country close to her great cities. They are oftentimes at great distances from the cities, and the cost of railway freight to carry the goods from those districts down to the great cities is no less, I am sure, in many instances than it would be from Auckland, Wellington, or Dunedin. I believe you could carry goods as easily from any of the ports here to the large cities over there as they could from many of their own agricultural districts.

849. Is it not true that they are large exporters now of every kind of agricultural produce?—That is so.

850. Is it not a fact, then, that they are not only able to produce for themselves, but to export at a price that will pay transit to Europe and distant markets?—It is true, for instance, that at times you will find South Australia exporting large quantities of wheat, and at the same time that

Brisbane, on the other hand, is wanting wheat badly, and it is just as easy for Dunedin to supply Brisbane as it is for South Australia. Districts in Australia that need these things could get them as easily from New Zealand as from their own continent, provided there were no Customs tariffs.

851. That is, assuming the shipping facilities were the same?—Yes.

852. But is it not the case that, although we had the same opportunities to supply Queensland, we have never been able to have the same shipping facilities, because of the number of lines that are trading between the Australian ports and these places?—The reason of that, of course, is that the larger centres of Australia have had more capital and more people travelling about the coasts, but I am perfectly certain that with the development of population in the future we would be able to compete with those lines—not just at once, but in the not distant future.

853. I judge from your remarks about administration that you are rather doubtful whether there might not be some loss to the colony through administration from Australia: is that correct?—You cannot be perfectly certain about everything of this kind, and in such a question we can only be guided by probability, and I think it is possible that there may be a certain amount of loss. I am perfectly certain that if we were once in the Federation we should not want to leave it, in spite of certain difficulties that must naturally arise.

854. Is it not true that in the United States great differences arose owing to the diverse interests of different States?—Yes, and through much tribulation the United States grew into a great nation; and I believe it is because of our prosperity in New Zealand at the present time that we are not applying ourselves to this problem in the way we ought to. The interests of New York State, of California, or of Florida seem different, yet they are bound up together for the benefit of all.

855. Do you not think that similar rival interests might arise between New Zealand and Australia?—No. But I think it is quite possible that, if we are separated, one day brother shall be shedding brother's blood.

856. Do you not think that discontent might arise in a distant province like this?—No, because I think that the distance will be annihilated by the progress of scientific and engineering discoveries.

857. But will the community of interest in Australia, the common interest which one State has with another there, be annihilated?—I think that those interests will grow, and that community of interest between New Zealand and Australia would also grow if the two countries were federated. Of course, if there is a wrong-headed man at the head of affairs it is possible to make mischief, but I do not think it is likely.

858. *Mr. Luke.*] You said you thought Australia was asleep on this question until they were aroused: do you think the agitation in favour of federation in Australia was got up by the politicians there?—I think the people got educated up to a higher ideal, and they began to realise that to become citizens of a great Commonwealth was a nobler thing than to continue to take part in petty parish politics. I believe the movement was one that arose from the initiation of men who had no irons in the fire, and no selfish interests to gain by federation. I think it was largely the outcome of the thinking people of the community educating the country at large, and it was not a movement that was undertaken or begun by the politician.

859. Can you conceive a condition of things that would not be only agreeable to Australia, but equally agreeable to us?—I think that in a large country there will always be local interests that will always remain local. If you go to any large Commonwealth you will find that there are interests that will always be local, and others that will be general. Go to Germany, and you will find there are Prussian interests that will always be Prussian, while there are Bavarian interests that will always be Bavarian.

861. But in each of these Commonwealths they are tied together by bonds that are co-terminous; but do you not think in our case the distance is rather a disadvantage?—I think, in the same way it would be an advantage, because I look on twelve hundred miles of sea as a good substitute for a great railroad, and certainly it is no great barrier.

862. But shall we not develop characteristics that will always keep us apart from the people of Australia?—I think we shall develop characteristics which will supplement the characteristics of the Australians, and that their characteristics will supplement ours. I think it would be a very pitiful thing to have a community in which men were all alike, and impelled by the same motives.

863. You do not see any danger, morally or socially, arising from the employment of coloured labour?—I do not at all desire to see coloured labour brought indiscriminately into any country. If it is absolutely necessary to develop the tropical parts of Australia by coloured labour, I should hope that the utmost care would be taken that the coloured labour should enter only for a time, and should not be a reproductive factor in the colony.

864. Would it not be difficult to restrict and limit that labour?—I do not think it would be, as it exists at present.

865. Will not New Zealand stand very much in relation to the Commonwealth geographically as Great Britain does to the Continent of Europe?—Yes, geographically, if you put back the wheels of time for five hundred years.

866. But taking the wheels of time as we may anticipate them for the next fifty or hundred years?—As I said before, I look on the sea as a convenience for the carrying-on of trade rather than as a barrier.

867. You referred just now to the fact of Australians having invested largely in Western Australian mines, and that where their treasure is there their heart is also: is it not a fact that the Australians have hitherto invested their money freely within the continent, or what is now the present Commonwealth, and is not that a strong argument that they will in the future find investment for their money in those industries in New Zealand?—If New Zealand was in the Commonwealth under similar laws and similar conditions, the Australian will invest his money where he will get the best return for it, whether in New Zealand or Western Australia.

868. But will they not have opportunities to invest their money under the Commonwealth in New Zealand that will pay them better even than in the past?—That may be so.

869. And is it not a fact that they have not looked to New Zealand or even tried New Zealand as a market for investment?—I remember years ago when I lived in Australia, and I spoke to persons on the question of New Zealand, I was met with a great deal of ignorance about the country; but at the same time there was a feeling of insecurity in the minds of people that their investments might be threatened here by the laws that were being passed.

870. Does not that strike you as being rather unsound in the face of the fact that our Consols have stood higher for a time than those of any part of Australia?—My experience of Australia was at the time when New Zealand's prosperity was at the very lowest ebb. At that time there was no comparison between the relative prosperity of the two countries, and there was a feeling that New Zealand was a country that was going to be developed very slowly.

871. Referring to these great public works which the Federal Government propose to undertake, such as trans-continental railways and irrigation-works, in which we would not have the same interest as Australia, do you not think we would be at a disadvantage in this respect, as we should have to contribute towards the cost of those works without getting any adequate gain in return?—I do not really think so, because, as rational men, the Australian statesmen would feel that it was only right that New Zealand should get her fair share of the moneys that were being spent for the development of the Commonwealth. It would be to the interests of Australia that New Zealand should be developed, and I believe you would get your fair share.

872. You do not think any system of reciprocity would be a fair substitute for the acceptance of the Commonwealth Bill at the present time?—I do not think you would get it; and, if you did get a treaty of reciprocity between New Zealand and Australia, the trades that are now objecting to federation because of their interests being at stake would still suffer. You cannot get reciprocity and at the same time get protection for ordinary industries. You must give as well as take.

873. Then, you would be prepared to accept the present Commonwealth Bill?—I would, with an expression of regret that the appeal to the Privy Council was not to be maintained in full, and also the hope that the clause would be altered which does not allow Maoris to be counted and so give to us a fair representation.

874. Supposing we marry and disagree, would the opportunities of divorce be offered to us, do you think?—I believe facility of divorce is the curse of the colonies, and it would be the curse of the nation, too, if it were possible to dissolve ties at will.

875. *Mr. Beauchamp.*] Then, you can recognise no analogy between Newfoundland and Canada and Australia and New Zealand, and you said that since Canada federated no strife had arisen between her and Newfoundland?—The conditions there differ to a very considerable extent. It is quite possible for Newfoundland to have a growing trade with the Old Country or with America, neither of which are very far away, and nothing has arisen in the time to cause strife; besides, the disproportion between Canada and Newfoundland is so great that it would not be advisable for Newfoundland to assert itself should any cause of strife arise. The great question there is the French fishing question, and in that Newfoundland has the sympathy of Canada, and that has done a great deal to prevent strife.

876. We are connected by ties of blood with Australia, and do you not think we should receive the same sympathy or assistance in the event of any trouble arising between ourselves and people outside?—I value unity before sentiment. I believe that we should get sympathy and perhaps assistance, but I do not think they would be so certain or effective as what we could depend upon if we had federation.

877. Are you apprehensive that the feeling exhibited lately will not continue?—I feel perfectly certain that it will continue and will grow if there is wisdom amongst the leaders of the Government at Home and in the colonies, but I can quite conceive causes of friction that would create trouble.

878. With a view of meeting these cases of friction, is it not a fact that there is a very strong disposition evinced now on the part of the Imperial authorities to call to their aid representatives of the various colonies throughout the Empire?—That is so.

879. Supposing the Commonwealth of New Zealand were represented in the Imperial Parliament, would the Imperial combination enable us to make our wants known; and do you not think we would be able to smooth out and alleviate causes of friction to which you have referred?—What I fear in the future is making the Mother-country the arbiter in any possible dispute that might arise between us and Australia—where one may be pitted against another. That is, to my mind, a very serious danger. I believe that if our interests were one we should remove all the difficulties ourselves without appealing to the Mother-country.

880. That would mean separation from the Mother-country?—I do not look forward to that, but I look to this federation as a step towards a closer union with the Old Country.

881. With inter-State free-trade, admitting from these colonies everything free, but taxing the goods of Britain, do you not think that would cause some friction between the Mother-country and her colonies?—It has not in the past, because England has adopted the policy of free-trade, and she has never complained of her colonies putting on Customs tariffs against her goods.

882. *Mr. Millar.*] I think one of your reasons in favour of federation is that you fear there might be trouble in the future otherwise?—I do.

883. What would cause the trouble?—There are many things; wherever there are rival industries and rival interests it is sure to come. For instance, the very policy that is in vogue at the present time—namely, the idea of New Zealand federating with the islands; whether there is any truth in it or not, I see in it the germs of possible trouble.

884. You are aware that nothing can be done without the sanction of the Imperial Government, so that there could be no conflict between New Zealand and Australia on that question?—It would arise between the Commonwealth and Great Britain, which is what I want to avoid.

885. Do you not think conflict could arise in matters of trade?—Practically, yes.

886. Would not the same conflict of trade arise whether we federated or not?—No, for this reason: that there would not be any contest as to whether Auckland or Sydney should get the greater part of the island trade, because Sydney and Auckland would be put on the very same footing, and the best man would win.

887. Do you not think it is probable that the solution of that question will be that Great Britain will put both the Commonwealth and New Zealand on the same terms?—I do not quite see how that is going to happen, if it is true that New Zealand is aiming at being the head of a great federation of the islands of the Pacific. If she has any responsibility over these islands she will reap corresponding advantages, and these advantages to us will be disadvantages to Australia.

888. Have you gone into the question of what effect federation would have upon the bulk of the people of this colony—that is to say, those dependent on manual labour?—I look upon any advantages in the price of wages of the working-man in New Zealand at present as purely temporary, but I am perfectly certain that in five years that advantage over Australian workmen will not exist. If there is any advantage it is owing to a condition of things which obtained in Australia a few years ago, and to the fact that New Zealand is now on the top of a period of prosperity; but New Zealand is not always going to remain on the crest of a period of prosperity, and the Australians are not always going to remain industrially weak.

890. If this is so, how comes it that the social legislation and development of our people during the past twelve years has been very much greater than that of Australia?—That has arisen from a good many causes, and one is this: that during that time Australia was going through the greatest financial crisis in her history, and consequently she was not in a condition to make reforms in industrial legislation. New Zealand has been prosperous, and she was in a position to do it.

891. Has not Victoria been prosperous during the last five years?—She has been emerging out of her troubles, but any one who knew the position she was in twelve or fifteen years ago, and seeing the position she is in now, can see that she has made very little progress for some years past.

892. About fifteen years ago there was a great boom in Victoria, was there not?—There was a very great inflation for a number of years.

893. But they are recovering from that and getting on again now?—Yes, they are pulling themselves together.

894. So that, as they will send the same men to the Commonwealth Parliament as have administered the State Parliament, do you anticipate they will show any greater hurry in matters of social legislation than has been the case during the past five years?—It is not perhaps possible for any man to answer that question who has not any personal contact with the law-makers in Australia.

895. Have you any idea of the value of our manufactures in this colony?—No.

896. It is, roughly, about £13,000,000 per annum, while the value of the Australian trade to this colony is about £1,250,000. Would you consider that it is in the interests of this colony that these manufactures should be sacrificed for the sake of, say, double the trade of £1,250,000 we have with Australia?—That is assuming that the manufactures of New Zealand would be injured, which I deny. I am perfectly satisfied that they could hold their own, although possibly some might suffer; but you cannot acquire a great advantage without some sacrifice.

898. If that is your opinion, how comes it that, with a 22½-per-cent. duty on boots, Victoria can now find a market in New Zealand for over £8,000 of her manufactured boots?—Boots and candles are two things that probably would suffer.

899. Bootmakers from Victoria go over to New Zealand and say they will not work here, because they say they can make more money in Victoria?—If that is so I shall have to lose my opinion of the bootmakers of New Zealand.

900. Do you think that the clothing trade could compete as against Victoria?—I think in the long-run it would, as I believe the climatic conditions here are in favour of New Zealand, and in the long-run the New-Zealanders would hold their own.

901. Are you aware that they have a Wages Board in Victoria that fixes the wages?—I do not know anything about it.

902. Would you like to see girls here turning out mole trousers at 9¼d. a pair?—I should be very sorry indeed for New Zealand to go into the Commonwealth if it produced such a condition of things.

903. Can you prevent it?—We shall have a good voice in it.

904. But the voice, you know, is not so powerful as a vote in Parliament. Do you know that the Chinese are largely employed in the furniture trade in Victoria?—Yes; and it will be the duty of the Commonwealth to prevent any development of Chinese industries in Victoria, and I should like to see New Zealand exercising her influence in the same direction as part of the Commonwealth.

905. But they are English naturalised subjects, and how can you affect them?—You might easily prevent any increase or development of it.

906. But, as far as the furniture trade in Victoria is concerned, they are rapidly knocking out the white tradesmen?—As a matter of fact, the Chinaman is competing with the European in the trade; but I think there is a better chance of the Commonwealth passing legislation in favour of the white workman if New Zealand is in the Commonwealth than there is if she is out of it, and if New Zealand remains out, and Chinese labour multiplies and increases in Victoria, depend upon it the workmen here will also suffer.

907. Do you think that New Zealand could compete with any industry in Great Britain at the present time without a tariff?—No.

908. Well, Australia is as much ahead of New Zealand in regard to her manufacturing facilities as Great Britain is ahead of Australia: is not that so?—If that is so, all I can say is that I do not believe you will be able to erect any fictitious barrier by tariffs around New Zealand that will keep up the wages here. You will find that Australia has spent large sums in bringing the best machinery into operation, and she will be able to compete with New Zealand more and more, and the nearer we get to the same conditions when we shall be forced to use the same machinery and apparatus the better it will be for New Zealand workmen in the long-run.

909. If that is your opinion, how can you explain why America has been able to hold her own against the world, and to make herself self-contained?—Because her factories are so large that she is now able to almost dominate the world; but if she had remained divided into fifty or sixty petty States she would not have been able to hold her own against the world, or anything like it. Hardly one of the American States could live independently of the other States; commercially that State would go to the wall.

910. Do you think that if America took off her protective duties now she could compete?—I do; and I think they will come off before long, because America feels now that she is strong enough to dominate trade; and I also feel that in that great commercial and industrial warfare that is coming the only chance New Zealand would have is to be a member of a great Commonwealth, and then she would be able to stand a chance of existence in the competition with America.

911. We have a very keen competition from Great Britain, America, and Germany in boots now: do you think the condition of this colony is going to be improved if the duty of 22½ per cent. on boots is reduced, as Sir William Lyne has stated that, in his opinion, the Federal tariff will be from 10 to 15 per cent.?—I do not know what the Federal duty will be, and I do not think that Sir William Lyne is able to estimate it. He is a member of a free-trade colony, the Premier of that colony, and therefore in that free-trade colony he speaks of a 10-per-cent. duty as a high protective duty, because he probably might not otherwise get a seat in the Federal Parliament; and therefore I think he has overestimated what is likely to be the effect of federation in reducing tariffs.

912. Mr. Barton says he requires eight millions and a half from Customs revenue, which would mean a loss of over half a million to us; and, if that takes effect, would it not seriously hamper industries in New Zealand?—I do not believe it would in the long-run, because we should have the advantage of going to a larger market without a tariff against us.

913. What market would you go to?—There are many markets in Australia that would be open to us.

914. Do you imagine we shall find a market in Australia?—I do.

915. Does Victoria, with a tariff against them, still find a market here?—Yes; in boots, candles, and furniture.

916. And in machinery?—I have spoken to an engineer, and he said he was not much afraid of Australian competition.

917. Do you anticipate at any time the abolition of the States?—No, I do not think it possible.

918. Do you think it is likely that the Federal Government, after having legislated on the thirty-nine subjects they will have the power to legislate on, will then attempt to get the full control over the State Parliaments and Governments?—That is a matter of opinion. I think it possible that we shall not have Governors of the same useful class as we have had perhaps, and I think it possible that the power of the States may be decreased; but I am also perfectly certain that there will always be a sufficient amount of local interest and feeling to prevent the absorption of the States, or their being wiped out of existence.

919. Have you any knowledge of the old provincial days here?—No; I have only read about them.

920. Do you not think that history is likely to repeat itself in that respect?—I think that the wiping-out of the provinces was a very good thing indeed.

921. Do you think it would be a very good thing for Australia?—Which?

922. To wipe out the States?—No, I do not, because it is a different thing altogether. Your provinces were so small that they could not carry on their finances, and I think it is a good thing to have fairly large States under a Central Government, especially where their interests are in common.

923. I think you said it was a high ideal in Australian people which caused them to federate?—Yes.

924. Was it a high ideal that caused the New Zealand people to federate?—It was to some extent a part of the influence. In every kind of action which is taken in regard to great reforms you will find a large number of motives coming into operation, and one motive which actuates a number of persons does not actuate others; some in every community have a high ideal of citizenship.

925. But was that the dominant idea which brought about federation in Queensland?—Of course, the conflict which existed between the northern part of Queensland and the southern entered largely into the question; but at the same time I do maintain that a very large number of the very best citizens in Queensland were actuated by the desire to be citizens of a great Commonwealth rather than of a petty State.

926. Had the franchise nothing to do with it—that the Federation promised to grant a wider franchise?—It may have, but my knowledge of Queensland in the last few years has not been very extensive.

927. Was not the dominant factor in causing Victoria to federate the fact that she had developed her manufactures to such an extent that she had to look to outside fields to profitably employ them?—No doubt it was a considerable factor; but again I say that the origin of the

movement was to promote the idea of being citizens of a larger Commonwealth as a nobler and higher thing than being citizens of a small State.

928. That was Mr. Deakin's idea; but, so far as the people of Victoria was concerned, there was something more than that in their reasons for federating?—I am perfectly sure the people of Victoria were actuated by mixed motives, some noble and some selfish, just as we in New Zealand are looking at the question from the selfish standpoint of how it affects us.

929. Do you not think it is possible to look at the matter from the standpoint of the greatest good to the greatest number?—Yes.

930. You think that, independently of the sacrifices we might have to make financially and socially, we ought to federate?—I do.

931. *Hon. Mr. Bowen.*] You spoke of a possible quarrel between Australia and New Zealand in the future: do you assume that the British Empire would be broken up?—No, I do not assume that; but, of course, it is possible, and cannot be put out of consideration in contemplating the future. I was looking forward to a condition of things when the population and the resources of New Zealand and Australia would become so large, probably equal to that of another country, that it would be absurd to expect that the fleet of the Mother-country could be depended on for our chief defence.

932. I speak of a quarrel between them: surely they could not quarrel to the point of war as long as the Empire existed, because they would not be allowed to go to war?—They would not be allowed to go to extremities as long as they were parts of the Empire, but what I feared was that if a subject of quarrel arose between New Zealand and Australia so great as to arouse the tempers of the people of both countries, and the Mother-country attempted to decide the question in favour of either, it might lead to the disruption of the Empire.

933. Might not there be another case—that a sudden *coup d'état* on the part of one might be prevented by the other if there were two great Powers in these seas?—I think the best way to prevent any *coup d'état* either on the part of one or the other would be for them to combine.

934. With regard to the fleet, you spoke of an Australian fleet: do you think that as long as the Empire holds together there would be a separate Australian fleet?—I think that at no great distant date there will have to be some arrangement or agreement between the Mother-country and Australia as to the naval defence of Australasia, as the present relations will not be permanently satisfactory.

935. It was stated very succinctly a few weeks ago by a naval officer that the battle in defence of the British colonies might be fought in the English Channel: is this question of an Australian fleet a practical one?—It is, because I am perfectly certain that when the Commonwealth contains thirty or forty millions of people they will not be content to simply pay their quota towards the expense of one fleet that will be governed exclusively from the Old Country, and therefore it will be necessary that there should be some arrangement by which Australia should have its own fleet provided for it. I cannot understand the present conditions in regard to naval defence existing, say, a hundred years hence, whereby Australia pays a small sum of money to the Mother-country, and the Mother-country is left solely responsible for our naval defence.

936. *Hon. the Chairman.*] You said, in answer to Mr. Millar, that you had not thought much about Queensland lately?—Yes.

937. What has that arisen from?—It has arisen from the fact that I am afraid I am much too busy a man to be able to attend to all the things I ought to.

938. Has it not arisen from your being so far distant from Queensland?—I think that, human nature being what it is, we always take a greater interest in that which is nearest than in that which is far away, and that will be so always.

939. Do you not think that if we joined the Commonwealth they will take little interest in us at this distance?—I think that if we found they gave little thought to us we should assert ourselves so very vigorously and strongly that we should not be overlooked.

JAMES MILNE MENNIE examined. (No. 145.)

940. *Hon. the Chairman.*] How long have you resided in New Zealand?—Since 1869, when I came over from Victoria. I run a biscuit- and jam-factory and a confectionery-factory in this city.

941. How long did you reside in Australia before you came to New Zealand?—Two years.

942. Will you give the Commission your opinion as to whether New Zealand should or should not federate with Australia?—I have given the matter some thought. I was in Australia three months ago, and had a talk with a good many business-men about this matter, and I came to the conclusion most decidedly that New Zealand ought to stand on its own footing, and not federate with Australia at the present time. I found that the Australian people knew very little about New Zealand.

943. Do they take much interest in New Zealand?—Very little indeed; even intelligent commercial men, from whom you would expect better things, know very little indeed about us at all. I am satisfied that our interests run in a different channel to theirs, and the time is not ripe for amalgamation.

944. In your opinion, how would the manufactures of New Zealand get on if we federated?—I think, for a considerable time they would be most adversely affected, inasmuch as the factories in Sydney and Melbourne are on a much larger scale than ours, have better machinery, cheaper freights from the Home-country, and more command of raw material; they have larger markets at their doors, and they would be able to dominate the smaller factories of New Zealand. I found the universal desire in Australia was that we should federate; and when I asked why, only two reasons were given to me—one was that they might erect a hostile tariff against us, and shut the door to our oats, maize, bacon, and hams, and the other reason was that we should have the assistance of the Commonwealth in defence matters.

945. Did they say why that would be beneficial to New Zealand?—No; when I asked them, that was all the opinion I could get. I showed them that the balance of trade was against them, and that we were dependent on the Mother-country for the consumption of our products, and they agreed with me. Then, again, the Australian Colonies grow pretty well the same things that we do, and export the same produce that we export.

946. Have you considered this question from any other standpoint than that of trade?—Yes; I think it will militate very much against our finance, as, for example, we should have to contribute a very considerable sum of money to the cost of the Federal capital. They are going to build a very fine city, I understand, at Bombala, and New Zealand would have to contribute a large sum towards that expense without receiving any advantage.

947. You are against federation?—Most decidedly, as we should lose the power of self-government which we at present possess, and that would be a great disadvantage. I would be in favour of a military federation for defence purposes.

948. *Mr. Leys.*] How would it affect your own particular industry?—Take the jam industry: It might be within your recollection that tenders were called for the supply of jam for South Africa. Myself, amongst others, worked together to tender for that. We tendered as a matter of form, but we could not compete with New South Wales, which has cheaper sugar, fruit, and labour. If we had no protection at all they would be able to command a good deal of our market.

949. Would that injuriously affect the fruit-growing industry?—Yes, to that extent. In the matter of flour it would affect us in the same way. Only that we have a protection of £1 per ton, New South Wales could send flour here now, and that would affect the farmers, and also our milling industry.

950. As a practical business-man knowing Australia, do you see any direction in which New Zealand trade can be extended by federation?—I cannot say I do. They are ahead of us in most manufactures.

JOHN WISEMAN examined. (No. 146.)

951. *Hon. the Chairman.*] What are you?—A manufacturer and importer.

952. Residing in Auckland?—Yes.

953. How long have you lived here?—About thirty-seven or thirty-eight years.

954. Have you considered the question of New Zealand federating or not with Australia?—Just in a casual way.

955. What is the conclusion at which you have arrived?—I think federation, theoretically, would be a very nice thing if we had no manufacturing industries to consider; but when we take those into consideration I think we would have everything to lose and nothing to gain by federation.

956. Have you studied the Commonwealth Bill at all?—No, not in detail.

957. Why do you think we have everything to lose from a manufacturer's point of view?—Because I do not see how we could possibly compete. The larger centres will naturally accumulate larger factories, and capital will be more available. Freights also are more in favour of the larger centres. The larger centres will have every advantage over us.

958. Are your manufactures protected in New Zealand?—Yes.

959. What is the tariff?—20 per cent. added to invoice, and 10 per cent. *ad valorem*.

960. Does your opinion extend to other manufactures besides your own?—Yes.

961. You think they would be injuriously affected too?—Yes.

962. Are there any advantages that occur to you that would accrue to New Zealand through federation?—It might check experimental legislation a bit. I think we are going a little bit too fast.

963. Do you think you would have any advantage in having four million more people to trade with?—No; I think we would not have an outlet for New Zealand. Of course, our trouble at present here is not having a large enough population; but I do not think there is a chance in our own line of business of doing trade with Australia.

964. Are you a New-Zealander?—No; but I am a colonial—a Tasmanian.

965. What is your opinion as to New Zealand sinking her independence?—I think it would be very regrettable. I think we are peculiarly situated, and we have a beautiful country; but at the same time we may become limited in our ideas. I think that larger countries produce larger minds and larger ideas, and greater progress. In one respect federation would tend to improve us in that way; but there are so many disadvantages connected with federation that I am decidedly of opinion that we would be better without federation.

966. *Mr. Millar.*] I think you said you thought the large territory created larger minds in business?—Yes.

967. Has not your experience been that these larger aggregations produce monopolies and trusts?—You refer to America?

968. Yes?—But still they are great.

969. Like conditions produce like results?—That is so.

970. There is a possibility, if we entered into the Commonwealth, and having that larger centre to work upon, that our industries might be controlled by two or three large syndicates?—That is so.

971. That would not be an advantage?—Not to New Zealand. I think that would eventuate in Australia.

GEORGE LOW examined. (No. 147.)

972. *Hon. the Chairman.*] What are you?—Settler and small-fruit grower.

973. And you are president of the Birkenhead and Northcote Fruit-growers' Association?—Yes.

974. Is that a large association?—About 125 members.

975. Have they considered the question of federation as a body?—Yes.

976. And what is the conclusion at which they have arrived?—They passed a resolution, “That the president be instructed to state to the Federation Commission that the views of the association’s members are adverse to federation with the Australian States; that they consider it would be injurious to the industry and most inexpedient at the present time.”

977. Was that carried unanimously?—Yes.

978. You agree with it personally?—Yes.

979. Well, now, what was the reason that prompted you to arrive at that resolution?—Free-trade with the other colonies would flood the Auckland market with fruit and destroy our industry.

980. They were afraid of competition with the other colonies?—Yes.

981. Have you considered the matter except as affecting trade in this colony?—No.

982. Have you read the Commonwealth Bill?—Yes, I have read it.

983. But you do not care to express any opinion upon it?—No.

984. You personally, and the society which you represent, are averse to federation?—Yes.

985. Can you see any advantage which would arise to New Zealand through federation?—No, I cannot. It is too big a question for me to consider.

986. *Mr. Leys.*] Are there a large number of small settlers in New Zealand dependent upon the small-fruit-growing industry?—It is our principal trade.

987. Besides those, is it not a fact that there are hundreds of other small settlers throughout the north similarly dependent upon fruit?—I do not think they are exactly in the same position. They have other things that they go in for—cattle and sheep. But here it is all fruit-growing, mostly strawberries. The northern settlers as a class go in considerably for fruit-growing, but as a rule they are mostly concerned in agricultural and pastoral pursuits.

988. I suppose your profits are not very large now, are they, from fruit—you have a pretty acute struggle?—Yes.

989. If this competition came, would it be very serious to you?—It is the general opinion that it would be, but, of course, I cannot say.

HERBERT DEARSLEY examined. (No. 148.)

990. *Hon. the Chairman.*] What are you?—A boot-manufacturer.

991. And you are president of the Master Bootmakers’ Association?—Ex-president of the Auckland Association.

992. Is that a large association?—It represents the whole of the manufacturers here with the exception of one firm. It represents thirty manufacturers.

993. And employing about how many hands?—There are about a thousand people interested.

994. Has your association collectively considered this question?—Yes, briefly; and I have a statement which I would like to submit to the Commission. It is as follows: “The representatives of the boot- and shoe-making industry of Auckland object to federation with the Australian States for the following reasons: (1.) We believe that federation will mean a reduction in the Customs tariff of this colony to a considerable extent, and, as under existing duties we find it not only difficult but impossible to keep out the imported boots (not only from England and America, but from Australia), we are convinced that the trade will be seriously hampered and contracted by the increased competition. While it is generally conceded that, value for value, the New-Zealand-manufactured article is the cheaper in the interest of the wearer, yet our competitors can produce goods that for style and appearance are quite equal to our own goods; and the difficulties against successful competition are, first, the much more favourable conditions of labour laws, being almost entirely free from the exacting restrictions from a manufacturer’s standpoint. (2.) The leather-markets of Australia being in a much more advanced state, manufacturers are able to obtain all their requirements in the local market, thus preventing the necessity of carrying a large stock of the raw material. (3.) The competition of machinery also affects us detrimentally, as all New Zealand machinery has had to bear a duty of 25 per cent., and consequently all our plants are loaded to that extent. We also believe that from a social standpoint we have nothing to gain by federation, but shall be placed at a considerable disadvantage, from the fact that the conditions of life and labour are much more favourable to the worker in New Zealand than in the sister-colonies. And from a political standpoint federation is inimicable to the best interests of our people, from the fact of the comparatively small representation of our colony in the Federal Council; the insignificant minority of six out of thirty-six votes in the Senate, and fourteen as against seventy in the Lower House, would mean a certain loss of all those advantages which have come to us as the result of our progressive legislation.”

995. Do you wish to add anything to that?—Except that I indorse all that is there. I think, from a national standpoint we have the elements of a nation in New Zealand. With federation I think we would be likely to lose our identity. I think that, so far as New Zealand is concerned, it is a maritime country, more so than Australia, and our physical conditions are somewhat different. I think we are more likely in the future to work out our destiny on different and perhaps higher lines than the Australian people would do.

996. Do you think there is any danger in our being separated—danger to either of the communities?—No, no great danger.

997. Do you think we would be able, as a separate colony, to carry on successfully?—Decidedly.

998. Have you considered the matter from any other aspect than that of trade?—Socially, I think our conditions are of a higher order than what they are in Australia.

999. Do you think our mental condition is likely to be improved by our being associated with Australia in the Commonwealth?—No; I think otherwise.

1000. Why?—They are on a lower plane than we are, and, being in the majority as far as legislation is concerned, they may hinder our progress.

1001. Have you lived in Australia?—I have been in Australia.

1002. From what do you judge when you say they are on a lower plane than we are?—I would not like to say that; but I think there is a lower strata of humanity in Australia than in New Zealand, the result of large crowded cities.

1003. Does not that arise from the aggregation of numbers there?—Probably; but I think the climate might have something to do with it.

1004. *Mr. Beauchamp.*] A larger number are employed in the boot-and-shoe industry here than in any part of the colony?—Yes.

1005. What is the condition of the industry here?—I could hardly say it is flourishing, because of the importation of goods at the present time. We are suffering now from importation from Australia and America.

1006. The importation from America has greatly increased during the last twelve months?—In the last three years it has greatly increased.

1007. Do you consider you are turning out as good value in boots as those imported from America?—Yes, if you take the wearing capabilities into consideration.

1008. The leather here is as good as theirs?—I think the leather tanned here is not as good. They are more advanced in some of the finer leathers than we are.

1009. As regards the conditions of the people who work in New Zealand and Australia, do you think their conditions of life are not quite as favourable as ours?—Certainly not, as far as I am able to judge.

1010. *Mr. Luke.*] Did I understand you to say that you paid duty on all the machinery that you used?—22 per cent. on the machinery, and 22½ per cent. on the great bulk of the material.

1011. Have you any large tanning business around Auckland?—Yes, there are some fairly large establishments.

1012. Does the leather tanned in New Zealand wear as long as the imported leather?—Some of it.

1013. *Mr. Leys.*] Do you think the social and industrial legislation of New Zealand has, on the whole, been beneficial to the community at large?—I should say so, especially to the workers.

1014. Has it seriously hampered industry?—It has in a degree, especially in respect to the operation of the Factories Act. We are at a decided disadvantage here at the present time in respect to girl-labour. In Australia the factories are simply filled with boys and girls. Here the great difficulty is to get them at all, and we cannot employ them at all unless they are over a certain age. That, I think, is quite right.

1015. From the employés' standpoint, you think the restrictions are wise ones?—Well, as a whole, I think they are wise, and perhaps in the long-run they will be beneficial to the bulk of the people. It does hamper business in a certain degree.

1016. Has it prevented the expansion of industry within the colony?—No, I think not.

1017. Well, assuming New Zealand federated, what would be the effect upon your industry?—I think we would get the surplus stocks from Australia dumped down into New Zealand.

1018. Do you think that any large number of the workmen employed now would be thrown out of employment?—I think that they would suffer.

1019. In what way?—Through lack of employment by the fact of more boots being imported.

1020. Do you think that the competition would lower wages?—Yes.

1021. Do you think that part of our population would be compelled to go over to Australia to seek work?—Yes.

1022. You think, then, that the effect would be to cause a decline in the New Zealand towns?—Yes.

PETER EDWARD CHEAL examined. (No. 149.)

1023 *Hon. the Chairman.*] What are you?—Mining engineer and surveyor.

1024. Have you resided long in New Zealand?—Thirty-six years.

1025. Are you acquainted with Australia at all?—No.

1026. The mining industry is important in this part of the colony, is it not?—Yes.

1027. In addition to gold, what else is there here?—Coal and copper.

1028. And there are silver-deposits in the Barrier?—Silver is mixed with all our ores, but in the Barrier it is mostly silver.

1029. Have you considered the question of federation of New Zealand with Australia?—Yes; I have gone into the subject as thoroughly as I can, and as the vice-president of Liberal Association I have delivered an address upon the subject.

1030. Will you please tell us the conclusions at which you have arrived on the matter?—In the first place, I have looked upon the question as a whole, and, so far as I can see, federation in the world has not been a success. It has been mentioned by those in favour of federation that the union between England and Scotland has been a success, but I have never heard any one say that the union between England and Ireland has been a success. Norway and Sweden are not a very happy family, and the German States I do not think are quite happy either. In Austria, again, we find such a condition of things that there will be chaos when the present Emperor dies. If I were an Australian I would go in for federation heart and soul, because I do not think they can ever become a great nation until they are federated, because of the different fiscal policies. At the same time, had these different colonies not broken away from the mother colony of New South Wales, we should never have heard the word "federation," and it would never have heard of New Zealand. Australian federation is a union of Governments, and not federation. When we did away with Provincial Governments in New Zealand we really became federated. I have gone into the matter from the position of the workers, and I am satisfied it would lower the status of the artisan and the working-class throughout New Zealand, because I know they would have to com-

pete against Chinese labour. In travelling to Napier some time since I had a conversation with a gentleman from Australia, and he told me he thought that federation would help to flatten out our manufactures. He said he had seen Chinese-made furniture, manufactured in Melbourne from kauri, for sale in Queen Street, Auckland. The timber had been grown here, sent over to Melbourne and manufactured, had paid the 22½-per-cent. duty here on manufactured articles, and was competing against the locally made article. If we go in for free-trade they could, with their Chinese labour and longer hours, swamp us, and I do not think our artisan class should have to compete against Chinese labour. A young fellow who was a French-polisher in Melbourne assured me that on several occasions when he left work at night he did not expect work on the following day, as there was no made-up furniture in the place ready for polishing, but when he arrived in the morning the shop was full of stuff that had been made up at the Chinese factories, and was there to be polished. All the rest of the work on the furniture had been done by Chinamen, and these articles were sold as English-made furniture. I do not think we would benefit in any way by having our artisans and workers competing against labour of this class. The only effect it could have would be to destroy our industries by reason of combinations and trusts. I notice, in looking through the Bill, that they have the right to deal with old-age pensions and conciliation and arbitration laws; and if the Commonwealth make a law on the same subject the Commonwealth law must prevail, and ours must go. There is a danger in that, I apprehend. I look at it in this light: that, so far as I can see, our richest and best customer is Great Britain. We do a trade with Australia of something like a million and a half, and they send nearly the same amount back to New Zealand. If by federation we were to lose £400,000 a year the game would not be worth the candle; and that is what I can see is the position in which we would be placed. I do not think that sentiment has anything to do with the matter at all. The question is not a philanthropic one, but a political one. When we realise that New Zealand would only have fifteen votes in the Federal Parliament against Australia's seventy votes, I feel sure that New Zealand on every question would go to the wall. I do not believe there is such a thing as political justice. For many years the majority of members in the New Zealand House were from the South Island, with the result that they got two millions and a half more spent on railways than was spent in the North Island, and last year twice as much was allocated to the South Island as was allocated to the North, in spite of the fact that their trunk lines are finished and ours are not. If we go to Australia we will be in the same position. We should be third in the list of contributors; but, looking at it from the political point of view, I do not think we would have anything like justice done to this colony. With regard to defence, I think we would be better off if we went in for a defence scheme of our own, and not put ourselves in the hands of the Commonwealth. That is one of the matters that the Commonwealth must control, and if we are in the Commonwealth we will be ruled by an Admiral and a Commander-in-Chief over in Australia. I think if both New Zealand and Australia were attacked at one time we could not expect much help from Australia, although we would have to pay a great deal towards the expense of a defence scheme. A Commonwealth navy would act very much against New Zealand. The ships would be kept in Australian waters, and, as they have large docks of their own there, they would not require to be docked here. If we stick by the Mother-country our interests will be looked after better. Personally, I think I would rather rely on the protection of the British navy than the protection of any Commonwealth navy that might be organized. The difference of freights between England and Australia and England and New Zealand gives Australia a great advantage over us, and with New Zealand as a free port to them they could land goods here at a cheaper rate than we could hope to compete against. I believe that a white Australia is impossible, and that the northern parts of Australia can never be inhabited by white men as far as labour is concerned. Look at Tasmania's chances since becoming part of the Commonwealth. When Mr. Dickson died they asked that some one from Tasmania should be put into the Cabinet. The reply was that if an eighth Minister was appointed they should receive consideration. This, to me, points to the fact that, unless we had a strong man like Mr. Seddon at the head of affairs, New Zealand would not have much chance of getting a man into the Cabinet. Taking it all round, I am satisfied that the Australian people have a great deal to gain from New Zealand joining the Federation, but we have a great deal to lose. New Zealand has three Ms—mining, manufactures, and mercantile marine. In manufactures I think it should be the duty of the Government to bring into use the amount of power that we have running to waste in the various rivers and streams of the colony. There is no reason why the various waterfalls of New Zealand should not be harnessed and made to supply electric power for the industries of the centres. Then we might be able to make headway against Australia. It is estimated that the Huka Falls will give 33,000-horse power, and between the Huka Falls and the Aniwanuiwa Falls in the Waikato River 150,000-horse power is estimated. I believe the power to be obtained from the waterfalls of New Zealand will run into some millions of horse-power, and that will enable us to compete against Australia in manufactures. We should build and man the fleets of the Pacific in the future, for we have the coal, lime, and iron, and Whangarei will be the "Black Country" of New Zealand in the future. From climatic conditions we will differ in the future from the native Australian, and I believe that in the future New Zealand will be to the Continent of Australia what England is to the Continent of Europe to-day. I am heart and soul in favour of Imperial federation, and I do not think it is necessary for that federation that we should federate with Australia. With your permission I will read one or two paragraphs from a paper which I contributed to the *New Zealand Illustrated Magazine* in April, 1900. In that paper I said: "Every interest of our colony would suffer, present and prospective, and our best interests are opposed to the proposed alliance, which means neither absorption nor protection, but would only mean an embargo on our political, social, and economical development. Let us stick to our insular independence and work out our own destiny, and, together with Australia as a Com-

monwealth, strive after the federation that will embrace all the English-speaking nations in a bond of unity without uniformity, but all making for the peace and prosperity of the race. . . . A closer union between Great Britain and New Zealand would be the outcome of a federated Australia, and this colony working out its own destiny, without being entangled in a bond which might hinder her progress and lead to strained relations rather than to closer ties. What we require to strive for is an Imperial zollverein—a commercial union between Great Britain and her colonies and dependencies, under the most-favoured-nation clause—which will strengthen the bond of unity more effectively than the mere sentiment of patriotism or united defence, and in which case a federated Australia can stand shoulder to shoulder with a free and unfettered New Zealand in a closer bond of unity than federation with Australia could possibly produce.”

1031. I was going to ask you if you have gone into the question of how colonial finance would be affected by federation?—It seems to me that, as the largest portion of our revenue is from the Customs, if that is to be handed over to the Commonwealth, and if they have power to take 25 per cent. of it for the next ten years, it would have a great effect upon us. It would prevent us undertaking public works which are necessary.

1032. You refer to the federation of England and Scotland: that was not a federation, but a union?—Some of those who were in favour of federation harped a good deal upon that union as being a federation.

1033. But there is only one Parliament?—Yes.

1034. What is your opinion as to the ultimate effect federation will have on the parliamentary system in Australia?—I think it will tend to centralisation.

1035. Do you think there is a possibility of the States being abolished?—I think it will come to that.

1036. Have you considered how the agricultural interests in this colony will be affected by federation?—It has not been part of my duty to go into that matter, but, from what I can see, it would do more harm than good to agriculture, because at the present time we can only compete against Australia in oats.

1037. Would the mining industry be affected in any way by federation?—No, I do not think so. New Zealand miners are thought very highly of, and they always gain high rates of pay if they go over there.

1038. Gold is worth its value anywhere?—Yes.

1039. *Mr. Luke.*] Do you not think that under federation there would be larger possibilities in the development of industries, such as those of iron and coal?—I think if we federated Australian capitalists would buy up these places and work them, and I think it would be to the detriment of our workers here.

1040. Do you not think the demand would be so small in New Zealand that we would not be able to work them profitably?—At the present time that is the case; but if we ever go in for large shipbuilding works, with these large deposits of iron, it might pay the Australians to come over here.

1041. You think that if we do not join the Commonwealth we might still be able to supply them with manufactured iron?—Yes, in time.

1042. Do you know of the iron-deposits at Parapara?—Yes.

1043. Do you know of any large investments of mining capital in New Zealand?—No.

1044. *Mr. Beauchamp.*] Do you consider the Maoris being restricted from voting a blot in the Bill?—Yes; and so also is the clause that says that where female franchise prevails the votes are to be divided.

1045. Do you think that the provision for creating new States in various parts of Australia would tend to adversely affect New Zealand?—Yes; it would reduce our votes.

1046. Do you consider the power to be conferred upon the Inter-State Commission objectionable?—Yes.

WEDNESDAY, 6TH MARCH, 1901.

JOHN HENRY UPTON examined. (No. 150.)

1047. *Hon. the Chairman.*] What are you?—A stationer.

1048. Residing in Auckland?—Yes.

1049. How long have you been living here?—Thirty-five years.

1050. Have you held any public offices in Auckland?—I was Mayor, Chairman of the Board of Education, and have held certain mercantile positions.

1051. The Commission want you to tell us, if you will please, your opinion as to whether New Zealand should join the Commonwealth of Australia or not, and your reasons for your opinion?—That is a large order. I really have no very positive opinions. Indeed, I was rather sorry to be asked to give evidence, and would rather answer any questions put to me. I would just say in a few words that I think, on the whole, that if I had to give a vote I would vote for federation. I think it is a great and noble ideal of national life, and we must either stand out or go in; and if we stand out we must suffer some evils, however little we may know of their character. To adopt Mr. McMurray's metaphor of the family, I think that if we do not federate we shall be in the position of the poor relation outside, with the poor relation's disadvantages. I think that the tendency of our national life in New Zealand is to a certain parochialism or narrowness, and that would be corrected if we joined in a great scheme of federation. We have to make our choice, and I do not think there is any hurry. There are two great questions Australia has to deal with, and in which we have not the same interest as Australia. In one we have no interest at all, and in the other

we have. One is that of the coloured labour. I think, before New Zealand joined, Australia should have settled the Queensland difficulty. The other thing is that before many years they must have settled the question of free-trade or protection. That would affect us. I think if we adjourned the proceedings for five or seven years we would be just as well off, and I think we would be just as welcome then as now.

1052. Do I take it you are in favour of waiting?—Yes.

1053. But, supposing you had to vote "Aye" or "No" now, what would your vote be?—I think the drawback so great to voting "No" that I should vote "Aye"; but I should vote in the dark.

1054. You think that New Zealand is to be compared to the poor relation outside?—I think so.

1055. You think that New Zealand has not a wealth of natural resources?—I think New Zealand is rich, but it is small also.

1056. Do you mean in population or area?—Both.

1057. So far as population is concerned, do you not look forward to New Zealand within the next fifty years carrying a large population?—One does not like to answer that positively, but, as far as as one can see, just now there is no immigration. We have to rely on natural increase, and that may not be very much.

1058. A policy of immigration may be decided upon by the Government in power at any time?—There has been no material immigration for some years.

1059. Taking a retrospect for the last sixty years, do you not think that the Colony of New Zealand has made wonderful strides in that period?—Sixty years ago there was practically no colony. To double one is a great proportional increase, but it only makes two. I do not think, after all, it has been much, when you look at Canada.

1060. Have you considered the question of New Zealand forfeiting her legislative independence by joining the Commonwealth?—Yes; I admit that in certain matters.

1061. Have you considered also how local administration would be affected, having regard to the distance of Australia from New Zealand?—I apprehend there must be always large local government. The tendency of New Zealand is to restrict local government, and I think the tendency of federation would be to enlarge it.

1062. The centre of the Federal Government would be twelve hundred miles away at least?—Yes.

1063. Does it not occur to you that that fact would work against the local administration of Government?—I do not think so; I do not see why it should.

1064. Have you considered how the finances of the colony would be affected by New Zealand federating with Australia?—No, I have not. This colony's finances resolve themselves into two parts—the power to get taxes out of the taxpayer, and the power to borrow.

1065. I mean as to the loss of revenue that would accrue to New Zealand by federation, and how that loss would have to be made up?—Much as it is, I consider it to be a detail. It is not essential.

1066. Do you not consider that revenue is essential to the carrying-on of the work of the Government?—I mean that it is not essential to the question of whether we should join in the Federation or not.

1067. Did you read Mr. Rolleston's evidence?—No; but I have spoken to him, and know pretty well his views.

1068. He favoured federation in respect to certain matters of general concern, leaving the local autonomy of the different States untouched: do you think that preferable to the general federation proposed now?—I understand that under federation local matters would be untouched.

1069. Have you read the Bill?—I have only glanced at it.

1070. Are you aware of the thirty-nine articles in respect to which the Federal Government may legislate upon?—Yes.

1071. And that their laws, if they conflict with the laws of the State, are paramount?—Yes, I understand that.

1072. Having regard to that, do you think there is very much left for the State Parliaments to legislate upon?—Oh, I think so.

1073. Have you any fear of the State Governments being obliterated and the whole matter merged in the one Federal Government?—No; I think we in New Zealand are in greater danger of that now. I think we are in greater danger of losing our local self-government than under federation.

1074. How can we lose it now?—I think the tendency is to do everything from Wellington.

1075. That is in the colony. But has it not occurred to you that there may be a merging of the States in the Federal Government, and the abolition of the State Governments, as was the case of the Provincial Governments in New Zealand?—I should hardly think so. I should not fear it.

1076. Do you think there would be an advantage in having intercolonial free-trade?—Yes, if we could have it.

1077. But you would have it if you federated?—Yes; and I think that is a matter on which we should wait and see how it can be worked out. There is a difference between Victoria and New South Wales on that head.

1078. If we joined the Federation we should undoubtedly have intercolonial free-trade?—Yes; but exactly how that would be adjusted with the Commonwealth duties I do not know.

1079. They would be abolished?—Yes; and therefore I would wait for a few years and see how it would be adjusted over there.

1080. They would be absolutely abolished between the States?—I would wait and see the effect. We do not know at present.

1081. You would not go in at present?—No; I am for delay.

1082. Do you think there would be any advantage in having four million additional people to trade with?—I think so.

1083. What are your opinions as to the mental condition of the people of New Zealand being elevated by being incorporated with the Commonwealth of Australia?—I think that is the main argument for federation. It will enlarge our ideas.

1084. Do you look forward to the advent of Imperial federation?—That is a very large term. I do not quite know what it means.

1085. I was going to ask you if we were not in an Imperial federation now?—The Home Government do a lot of things for us now, and we have many advantages, but they do not consult us in anything.

1086. Supposing we are a component part of the Empire, have we not the same chance of enlarging our ideas as we would by joining the Federation?—No, not until we are given some share in the government of the Empire.

1087. *Mr. Beauchamp.*] I understood you to say that, although you counselled delay, if you were asked to vote to-day you would record your vote in favour of federation?—I did not say how I would vote in a referendum, which is a mere expression of opinion; but if I had to vote for the thing to be carried out or not I would vote for it.

1088. In a primary vote would you vote "Aye"?—I do not think I would.

1089. You see by this morning's paper that the Government have an intention of submitting this to a referendum on the 31st March in the census-paper; what way will you then vote?—I would like to see the question first.

1090. If it is "Aye" or "No," how would you vote?—I look upon it as an academical subject, and would vote "No."

1091. *Mr. Leys.*] Has not the tendency of Central Governments in Federations been to grow in power, whilst State Governments declined?—In some respects, I imagine, yes; but I do not know sufficient about America to say that.

1092. Is it not really the tendency of Governments, having superior powers, to exercise and increase those powers?—I believe that to be the natural tendency of mankind. It is true of democracy as it is of tyranny.

1093. Well, then, why do you anticipate that there will be an increase of local government under federation?—Because I think, as things are at present in New Zealand, local government is being completely wiped out. There is a good illustration to be noticed in the newspapers at present. A little dispute has occurred in a mine at the Thames, and the Government has been brought in. Surely we can settle a dispute without bringing the Government in.

1094. Is it not a fact that the mining leases are really held from the Government direct—that they are Crown lands held under certain conditions?—I presume they are, but I do not know.

1095. In that case, is not the Government directly involved?—I do not think so. This is a matter of taking down a certain amount of quartz and crushing it.

1096. Do you know anything of the conditions under which the mining leases are held in Australia?—No.

1097. Do you know anything of the systems of local government in New South Wales?—No.

1098. Or in Victoria?—No.

1099. I suppose you know, for instance, that their educational systems are entirely central in their character, and that they have no Boards of Education as we have in this colony?—I thought they had Boards; but I see here that they are going to do away with Boards, apparently.

1100. Do you not think there has been a tendency to multiply Boards unnecessarily in New Zealand, and that there may be a reaction?—Do you mean Education Boards?

1101. No; I mean local government Boards?—There has been a tendency to multiply Government or society nominees, but I do not think there has been a tendency to multiply administrative bodies.

1102. You do not think there has been too much dovetailing of local government—too many bodies doing very much the same work—in New Zealand?—Perhaps that is inevitable in a new country, but I do not think the tendency is to increase that.

1103. But that tendency that you notice to decrease certain local bodies: may it not be that we have outgrown the needs of some of these bodies?—I do not think it is necessary to decrease the Boards of Education. I think that is a serious blunder.

1104. But it has not taken place, and we may scarcely assume it will take place?—It has been stated.

1105. Officially?—Semi-officially, certainly.

1106. Well, now, with regard to the question of finance, you are aware, of course, that the Federal Government takes charge of the Customs and excise duties?—Yes.

1107. Do you not think that that will seriously cripple us in the development of our own resources?—No doubt questions of that sort are very serious difficulties to consider, and I do not think a casual witness like myself can offer an opinion. An opinion can only be offered by experts after a careful consideration of the whole question. I have not been and am not able to give it that study.

1108. Assuming that the statements to the effect that something like £500,000 will be thrown upon the direct taxation for State purposes are correct, how do you think that would operate upon the industries and commercial prosperity of the colony?—It is really quite impossible for me to answer. The broad financial effect of federation would be for the good of the country. We should be able to borrow money cheaper. New South Wales has better credit than New Zealand even now.

1109. Are you quite sure?—Yes.

1110. Are you not aware that New Zealand bonds are quoted £5 per cent. higher than New South Wales bonds?—Not in December. I have here Faithfull, Begg, and Co.'s stock-list, and

that is not the case. In December last New South Wales 3-per-cents, having to 1935 to run, were at 99 to 101; New Zealand 3-per-cents, having to 1945 to run, were at 97 to 99—a difference of 2 per cent. in favour of New South Wales. That 2 per cent. may to some extent be accounted for by the payment period of the dividend. Take Canada, which is federated: their 3-per-cents on the same day, to run to 1938, and therefore on an exact par with ours, were worth 100 to 102. That is to say, that New South Wales were worth 2 per cent. better than ours, and Canada were worth 2 per cent. more than New South Wales.

1111. What is the date of that quotation?—January, 1901.

1112. Is that the beginning of January?—I imagine it is. It was probably issued on the 1st January.

1113. That would be prior to federation taking effect?—Federation has not taken effect yet.

1114. Yes, on the 1st January?—Well, that would really prove my argument.

1115. What inference would you draw if you learnt that as soon as federation took effect New South Wales 3½-per-cents fell to 102, while New Zealand 3½-per-cents stood at 108?—New Zealand 3½-per-cents at the present time stand at 104 to 106, to run to 1940; New South Wales 3½-per-cents, to run to 1924, stand at 103 to 105.

1116. Those are not the latest quotations?—Of course, the payment of the dividend may have some effect, but if you look through any sharebroker's list you will find that New South Wales stock has stood higher than New Zealand.

1117. Have you heard that during last month New South Wales placed five millions in Treasury bills at 4 per cent.?—Two millions and a half they have.

1118. But on the London market?—They were floated at 99 on the London market.

1119. Does not that indicate great uncertainty in their finance?—It is very difficult to say. I will give you a fact that happened here. I am a member of a board of trustees that had to make an investment the other day. One was the purchase of Auckland City 4-per-cent. debentures. The trustees took up a few thousand, and we wanted more. Some of us thought they could be got in England better than here, and, in fact, double the amount have been bought in London at a price that pays from £4 2s. to £4 12s. per cent. as against £4 per cent. yielded by the identical debentures taken up here. The inference is that money is cheaper here than in England. The rate of mortgage in England is very much the same as in New Zealand.

1120. Here are the cable quotations of London, 1st March: New South Wales 3½-per-cents, 1918, £102 15s.; New Zealand 3½-per-cents, 1940, £108?—There is a difference of twenty-two years there in the currency.

1121. That is true; but, of course, when you quote those figures that you have been quoting you have not taken that into account—in that general statement that our stocks were lower than New South Wales?—As a matter of fact, the quotation you have read is the same as in the book.

1122. £102 15s., that is not the quotation in the book?—102 to 104 in December.

1123. That implies a fall?—No, they are the same.

1124. What quotation have you for New Zealand 3½-per-cents falling in in 1940?—104 to 106.

1125. They are now quoted at 108, so that, whilst New South Wales stocks have been stationary, New Zealand stocks have risen 4 per cent. in two months?—You cannot compare bonds with a difference of twenty-two years in the currency. If a person wishes to make an investment he might think 3½ per cent. more or less doubtful for a short period, but good for a long one.

1126. Would not this inference have the same force in January as in March?—I do not know what the circumstances are.

1127. How do you account for that rise, then, in New Zealand stocks?—I would rather wait till I see them in the book. I do not admit it for a moment.

1128. You do not admit the correctness of the cables?—I do not admit that there has been any material change in the price of New Zealand securities in the last three months.

1129. You do not admit that?—No, not until I see it in the book.

1130. Have you considered the effect of federation on the industries of New Zealand?—I think, in the long-run, if our industries are to subsist and flourish they must do so on their merits, and if we are to build up a wall and shut ourselves off from the world we shall suffer disadvantages quite as great as going into open competition.

1131. But, seeing that under a policy of protection certain industries have been built up and employ a great many thousands of working-people, would you think it expedient to remove that protection immediately?—It is a very large question. I think really, from what I can see, that it would be very much better for New Zealand if more attention was paid to the favouring or furthering of agricultural interests than industries. At the present time, so far as Auckland is concerned, we are suffering from want of labour.

1132. Do you assume, if a large number of mechanics were immediately thrown out of employment by the removal of the tariff, that they could be immediately absorbed in the country?—No; any change is a serious thing, but it is not a thing to be afraid of, provided we can see our way reasonably to do it. We have gone too far in one direction. I think our greatest industry and the most profitable is agriculture.

1133. As a matter of fact, do not the exports show that there has been an enormous development both in the agricultural and pastoral industries of the colony?—Undoubtedly. The real industry of the colony is agriculture. We can grow mutton and butter as very few countries can.

1134. Have you considered federation from the point of view that it would transfer powers from the Government of New Zealand to a Legislature in which we should only have a one-sixth voice?—Nothing really good is without its drawbacks, and, whatever federation is, that is one of its drawbacks to us.

1135. Have you noticed that already seven out of the nine members of the Federal Cabinet are lawyers?—No.

1136. Do you think that indicates that professional and commercial men cannot devote themselves to politics?—I did not know that was the case, but I think it very likely. This is only the first Parliament of the Federation, and, as the establishment of the Constitution was very much a question of law, I suppose it attracted the attention of lawyers more than other men. I think that would account for that fact to some extent.

1137. You think it does not rather indicate that the Government has fallen into the hands of professional politicians?—I do not think so.

1138. As against this surrender of control over our own Government, do you see any real practical advantage in the way of administration?—I am inclined to think there would be advantages of administration, as our Government as at present constituted troubles itself too much about the small matters of life. They interfere too much with the departmental administration, and I am in favour of more local government in this colony.

1139. Would you then be in favour of transferring the public lands and other departments which would still be under the control of the States to the Federal Government?—I should hardly think that.

1140. Well, in regard to the administration of such services as post-offices, telegraphs, lighthouses, Customs, and marine, and probably railways, do you think those services would be better administered in the public interest from Australia than from a centre in New Zealand?—Putting railways out of it, I imagine that posts and telegraphs could be as well administered from one place as from another.

1141. Do you think there would be no disadvantage in having the heads of departments at such a distance?—I do not think so. There is necessarily a large amount of devolution in the post-office, and the State is really forced to decide the great questions of policy, like the penny-postage.

1142. *Hon. the Chairman.*] You spoke of the interests of the settlers being neglected: are you aware that, in regard to exports of produce for the year 1899 as against 1898, there was an increase of £315,656; and that in agricultural produce in the same year there was an increase of over half a million?—I did not know the particular figures. I was aware there was a great increase, but I even thought it might be larger.

1143. *Mr. Leys.*] I suppose you know that the only means of revenue available for the States, apart from their share of Customs, would be by direct taxation?—Of course, direct taxation would be necessary.

1144. If the financial exigencies necessitated doubling the land-tax, how would that operate upon the agricultural and farming community generally?—Well, that is hardly a question to be answered offhand; but I should think that, even if direct taxation were required, doubling the land-tax would be a very clumsy proceeding. I should be inclined to put a good deal more on income. The land in New Zealand pays at the present time as much taxation as England paid when she fought Napoleon's war: the mortgage-tax of 1d. in the pound is equivalent to 1s. 10d. on income with money at 4½ per cent., and this is precisely the tax England paid after she had fought Europe for years, and had incurred a debt of £800,000,000.

1145. Then, I judge that you do not think there is much scope for direct taxation?—I think there is scope to increase the income-tax, but I do not think that that tax is in proportion to the mortgage-tax. The land-tax is out of proportion; the tax on mortgages is grossly unfair, even as compared with the tax on income.

JAMES HENRY MACKIE examined. (No. 151.)

1146. *Hon. the Chairman.*] What are you?—A public accountant and auditor in Auckland.

1147. Are you the secretary of the Fruit-growers' Union?—Yes.

1148. Is that a large body?—It represents some one dozen associations, including in all five or six hundred fruit-growers. I am simply an official of the union, and Mr. Sturges, who is the vice-president, gave you the official evidence on the matter yesterday. I am also the secretary to the Auckland Provincial Industrial Association, and I conclude it is in that connection that I am called here. I may also say that for a great part of my life I was engaged in the carriage-building industry, which I left some years ago.

1149. So far as the unions in which you are concerned are affected, have they met and discussed the question of federation?—Not specifically. I think there would be a divergence of opinion on this subject.

1150. Will you give the Commission your own opinion on the matter?—I am inclined to think that we should wait and see what will be the outcome of the movement going on in Australia at the present time. There is already a conflict of opinion growing up there, and until we see how the questions that have been raised there are settled we shall do no harm by abstaining from joining the Federation.

1151. Are you prepared to express an opinion as to how the fruit-growing industry in this colony would be affected by federation?—Experts express the opinion that it would prove adverse to our grape-growing industry; the general opinion of growers is that it would kill that industry, and possibly injure the wine industry.

1152. How do you think manufacturers would be affected?—Certain manufactures that we can carry on fairly successfully would be very seriously affected at first. I spent several years in Australia, and was connected with manufactures in Victoria. I have also some knowledge of similar industries in New South Wales. There is a large disparity between our manufactures and theirs, and for that reason it would be advisable to wait until we see how the Commonwealth Government goes to work. In New South Wales the carriage industry, which is carried on to a very large extent, comes into competition with the imported articles. The cost of construction in that line is lower than in New Zealand, and there is an inferior class of work done. In Victoria wages are

higher, and the class of work is very much superior; but then they do not have to compete with the imported article, as they are protected.

1154. Can you tell us what advantages are likely to accrue to this colony from federation?—I believe one advantage would be the broadening of one's ideas, and that it would improve the status of our public men, as they would come into touch with men of wider experience and larger ideas, and thereby advance the possibility of progressive legislation. At the present time, on account of our insular position, we are very cramped, and what applies to the individual applies to the people as a whole. While I am in favour of federation, I should prefer to wait until we see the result in Australia. I am in favour of re-establishing the system of selected immigration to this colony, as I consider it would be better than federating with Australia. A larger population would mean that our industries could be extended, we should have a larger market for our produce, and in every way it would be better for the colony.

1155. *Mr. Leys.*] From your observations in Australia, can you tell us whether the manufactures there are more largely developed than in New Zealand?—Much more.

1156. Does that give them an advantage in respect to production?—Yes, it does, because it benefits the individual for one thing, and by maintaining an industry which is more or less natural to the country it would keep out importations that may be created largely by cheap labour.

1157. Does it enable them to produce more cheaply than we can?—Undoubtedly.

1158. You said that labour was cheaper in Australia than here?—Cheaper in New South Wales than in Victoria.

1159. Is it cheaper in New South Wales than in New Zealand?—In carriage-building, I believe, it was not so.

1160. Do you think the effect of intercolonial free-trade would be to draw some of our working-population to Australia?—I believe our better-class artisans would move to Australia.

1161. *Mr. Beauchamp.*] While advocating immigration to this colony, have you considered what would be the effect upon the workers of New Zealand of the introduction of an extensive system of immigration?—I do not think you should lose anything by it, as it would depend very largely on the discrimination exercised in regard to the class of people we brought here.

1162. You do not think it would have the effect of lowering wages?—I do not think so. There seems to be now a dearth of labour for agricultural industries.

JAMES AGGERS examined. (No. 152.)

1163. *Hon. the Chairman.*] What are you?—A bootmaker, and secretary to the Bootmakers' Union.

1164. How many men are associated with that union?—Over two hundred.

1165. Have they considered as a body the question of federation?—Yes; they consider that federation with Australia would be detrimental to the bootmakers of New Zealand, and especially of Auckland.

1166. Were they unanimous in that decision?—Practically; one or two may hold opposite views.

1167. Do you agree in that decision?—Certainly I do.

1168. Why do you think it would prove detrimental to the bootmaking trade?—Through the imported work that would come in through having free-trade with Australia; and if it would be bad for the manufacturers it would be worse for the men.

1169. Is the bootmaking industry in New Zealand a flourishing one now?—Fairly so. It is about stationary.

1170. Does not America compete very seriously with your industry now?—It does.

1171. What do you think will be the probable tariff in Australia under federation?—It is only a matter of speculation, but we believe the tariff will come down 7 to 12 per cent. lower than the New Zealand tariff.

1172. What would then be the result to your industry?—Utter ruin.

1173. Have you considered the effect of federation from any other aspect than as affecting your own industry?—I believe we would surrender our independence as a colony, and I object to that.

1174. *Mr. Roberts.*] Given a 15-per-cent. Federal tariff on boots, what would be the effect on your industry?—Two-thirds of it would be wiped out, and the boots imported would be an inferior article, as we make a better article for the money than the imported.

1175. Is not the most serious competition in the boot trade from America?—Yes; and I believe there has been a good deal of late from Victoria.

1176. *Mr. Millar.*] Apart from the question of how your trade would be affected, do you think that the social condition of the workers in this colony would be considered to the same extent by a Federal Government as it is by the Parliament we have now?—Certainly not.

1177. You are aware that during the last ten or twelve years very little progress has been made in Australia with regard to social legislation?—I hardly agree with that opinion.

1178. Certainly, with regard to Victoria they have done a little; but, taking the trades right through, have they made any progress at all in that direction?—In our own trade in Victoria they have introduced the minimum wage, and that has had a good effect on the trade.

1179. Do you not think it is more likely we should get legislation of an advanced character more rapidly by remaining an independent colony than if we joined the Federation?—Certainly we should, because we are now nearer our members and Parliament than we would be if the Parliament were in Australia. And you would only have fifteen members there.

1180. Do you think there would be much opportunity of seeing them, considering the colony would be divided into fifteen electorates?—Very little.

1181. *Mr. Beauchamp.*] Why do you say Auckland would be more affected in respect to your trade by federation than other places?—Because I know the conditions in the trade here, but not in the South.

1182. Under the present tariff of 22½ per cent. you can just hold your own, I understand?—It is a difficult matter even to do that.

1183. But if any reduction were made upon the present tariff you think it would prove injurious to your industry?—As far as I can understand, with only a 10-per-cent. reduction on boots in Sydney the wages fell 40 per cent.

1184. And at the present time are wages in your trade lower in Australia than in New Zealand?—Yes.

1185. Are the hours of work about the same?—Yes.

GEORGE ALEXANDER COLES examined. (No. 153.)

1186. *Hon. the Chairman.*] You are a boot-manufacturer in Auckland?—Yes. I have resided in New Zealand about nineteen years, and am the president of the Auckland Boot-manufacturers' Association and vice-president of the New Zealand Federated Boot-manufacturers' Association.

1187. How many members are there in it?—About twenty-five manufacturers, employing between eight and nine hundred hands.

1188. Is your association in favour of or against federation?—We had a meeting on the question, and we passed a resolution against federating. The reasons were given by Mr. Dearsley in his evidence yesterday. The meeting was one of manufacturers and workmen.

1189. Have you considered the question apart from the aspect of its effect on the manufacturing industry?—Yes. At first I thought it would be a very good thing, but during a visit I paid to Australia recently I found that the social conditions in Australia were far inferior to our own in respect to the manufacturing interests—perhaps they are better in other respects—and the competition was so keen that unless a man had a very large capital behind him he was out of the running, and the condition of the workers was far inferior to that of anything I have seen in New Zealand. I have not seen so much distress since I left the Old Country as I saw in New South Wales and Victoria. Although the minimum wage in Victoria is 2s. a week higher than here, the conditions under which the people work there are totally different, as the log rate is 40 per cent. lower than in New Zealand, and the earnings of the men are based, of course, entirely on the log. The consequence is that our men are able to earn the minimum wage on a very much higher log rate, and take matters more easily. I also think we should lose, by federating, that individuality of character we at present possess. In climate we have the advantage, as the Australian worker—I refer more particularly to those in Sydney—is, by reason of the enervating climate and the conditions under which he works, practically worked out at forty-five to fifty, and that is what we do not want to see in New Zealand.

1190. Does your evidence upon this point apply only to the bootmaking class?—I think it affects all classes of society. New Zealand would not be able to compete with Australia without a duty in respect to the bootmaking trade, owing to the smallness of our population and the larger factories in Australia, and the specialisation practised in the industry there. If I were in business in Melbourne or Sydney I could carry on that business with much less capital, as I could purchase all my requirements on a Monday morning, in either Sydney or Melbourne, for the week, while in New Zealand one has to purchase the raw material six or nine months beforehand, and that requires a large capital.

1191. Then, probably you do not agree with some other witnesses who think that the mental condition of the New-Zealanders would be improved by association with the Australians?—I like to speak from experience, and I must say that many of the workmen who come from the other side are not up to the standard of the New-Zealanders.

1192. Do you not think it would be a benefit to the New-Zealanders to be associated with the larger population of the Australian Commonwealth?—No, I do not. If the communication were by railway there would be a feeling of brotherhood between us which is impossible in the case of a long separation by sea. I believe that New Zealand is sufficiently large to be a self-governing colony, and she should retain her independence.

1193. Have you considered the question with regard to the financial aspect of the matter?—Yes; and I think we should be outvoted in the Federal Parliament, and therefore affected injuriously.

1194. *Mr. Roberts.*] You emphasize the very high scale of wages here as being the chief handicap you labour under?—No doubt it is a large factor in manufacturing, but the cost of our raw material is also a very serious handicap, and we can only turn out very small quantities of goods. Larger factories and output and confinement to one or two lines would mean a considerable reduction in the cost of production.

1195. Are your hands constantly employed here?—No; in our factory the hands are pretty constantly employed, and last year they lost no time at all, but that was owing to our making a very high class of work.

1196. If you can buy your raw materials in Sydney, would it not be much better to buy them there than to import them direct from Home?—You are loaded by the intercolonial freight, and therefore it is cheaper to import from England and Germany.

1197. But the intermediate freight would not be very much?—Sufficient to load the price of the goods; and you have the shipping-charges.

1198. Still, it is the fact that you can buy more cheaply there than here?—It is the local leathers I was speaking of.

1199. Still, if things are so cheap, there is no reason why you should not go there and make your purchases?—It would not pay us. The raw material is a great deal dearer than in Sydney, and we do not make the lines here that they make in Australia.

1200. What is the largest number of lines you turn out in any one factory here?—About three hundred.

1201. As compared with the number of lines turned out in an American factory?—They manufacture in four only. One house turns out 20,000 pairs a week. My son is in a factory in Chicago which turns out 10,000 pairs a week, and they only make six lines in that factory.

1202. And you think that specialisation would take place in Australia?—It is taking place, and that is the only way they can compete against the imported goods.

1203. You think they are experiencing the same competition from American boots in Australia that we are having in New Zealand?—In Sydney; but in Victoria they are shut out by the high tariff.

1204. Have you considered the quality of our leather as compared with that of Australia?—We import American leather very largely.

1205. Are you unable to get leather of high quality here?—It does not pay our tanners to make it, because the Americans have brought the specialisation of leathers to the highest pitch, and have got the production of leathers entirely in their own hands.

1206. With regard to the leathers you work up here, do they compare well with the leather produced in America?—Very favourably.

1207. *Mr. Luke.*] Do they work by wage or under the log in Victoria?—I am glad you asked that question, because a great many people have got an idea that if a man is paid £2 a week he does all he can to earn that £2; but, unfortunately for the man, he does not. Take the position to-day: The Arbitration Court fixes the weekly wage of all operatives in New Zealand at a minimum of £2 a week, or 10d. an hour; but it also fixes a log, which anybody can work under, and that is the log that is 40 per cent. higher than the Victorian log, which is higher again than the English and American log; and if you give the men in New Zealand £2 per week they produce you about the same amount of work as if paid by piecework logs, which handicaps the manufacturers in New Zealand.

1208. Notwithstanding working under the log, they can still claim the minimum wage?—Of course, you have to pay them the minimum wage; you have to start at that.

1209. Do they earn under the log anything over and above the minimum wage?—You are not supposed to know anything about this log, but the men work by it. I might give a man £2, £2 5s., or £2 10s. a week, and that same man does you so-much work under this log, which is a prohibitive log; he will make that £2 10s. or £2 5s. worth of work, but no more.

1210. Then, the question of the higher wage in Victoria does not help the manufacturer at all if they worked under the New Zealand log?—If the men here were to adopt what we call the Australian log—which I have in my hand—then we could compete with the Australians, but, although we pay our men the same minimum wage, our men work under what we call the New Zealand log, which is 40 to 50 per cent. higher. Under the American log, taking a military boot made for the army, the operation of putting the upper on the sole, and the sole on, comes to 10d. In New Zealand that would cost us 4s. under our log. In another boot—a machine-sewn boot—named the “McKay,” the two operations in America cost 10d., here 2s. 6d. Supposing you paid your men a minimum wage of £2 10s., they would make you so-many pairs, and on the piece they would get 2s. 6d., whether they make more or not; so the consequence would be that at the end of the week you would find you would have paid really 2s. 6d. a pair for that operation.

1211. What is the difference between Australia and New Zealand?—I have not worked it out, but I think you will find that the Australians can pretty well now make you a boot for the same price you can get it made for in England.

1212. *Mr. Leys.*] Does any manufacturer in Auckland work under the log?—Not that I know of.

1213. What do you assume a good workman can make at log rates?—If he likes he can make from £3 10s. to nearly £4 a week.

1214. But the manufacturer prefers to pay £2?—We could not pay log rates.

1215. If, as you say, the workmen are really working on the log, although nominally on wages, what better are you off?—We have to use machinery, and that is where the small manufacturers are handicapped. Machinery must be put down whether you are willing to do so or not.

1216. It is really a limiting of the output?—Yes; that is the trouble they have in England. The English manufacturers are suffering in exactly the same way on account of the limitation of the output.

1217. *Hon. the Chairman.*] How do they get over the difficulty?—They have not overcome it, and that is why there are so many American boots coming into England now.

1218. *Mr. Millar.*] Do I understand you to say that the Victorian log is 40 per cent. lower than the New Zealand log?—Yes.

1219. Are you aware that there are a number of factories in this colony working under the log?—No. There is no factory in New Zealand working on that log.

1220. How long is it since they went on weekly wages?—A little while ago.

1221. Do you know anything about Dunedin?—Yes.

1222. Are they working there now on a weekly wage?—As far as I know, they are doing so all over the colony in the federated associations.

1223. You say that £2 is the minimum wage here, and £2 2s. in Victoria?—Yes.

1224. Are you aware that Victorian bootmakers have been drawn over to New Zealand?—Yes.

1225. How long do they remain?—A very short time.

1226. What is the reason for their going back to Victoria?—They do not like the class of work here, and cannot earn as big wages as they can in Victoria; and under our log our men could earn just as much if they liked, but they will not.

1227. What is the average wage of the bootmakers in New Zealand now?—Our men average from £2 to £3 10s.

1228. I mean all over the colony?—I could not say.

1229. You do not consider £2 an excessive wage?—I do not consider it enough for a skilled man. I could earn more than that in the Old Country. I would not work for it myself.

THOMAS HODGSON examined. (No. 154.)

1230. *Hon. the Chairman.*] What are you, Mr. Hodgson?—Manager of the Northern Boot-factory.

1231. How many hands do you employ?—About eighty.

1232. Will you tell us, please, your opinion as to how the manufacturers in New Zealand would be affected by federation?—In my opinion, the bootmaking industry would be affected, but how far it is impossible to say without further evidence and experience. At present there are about four thousand operatives in the trade in the colony, and I think it will be found to be the largest industry in the colony; therefore it requires special consideration, as it has done in the past. We have already met with the competition that has been mentioned from America, Australia, and the United Kingdom. It is true that there has been a large increase in the American imports in boots and shoes, and with that personally I am not displeased, for we know that competition is the life of trade; and, while it is true that American goods are coming into the colony, and into England and Australia, they are bringing with them their object-lessons. I find, on making comparisons with respect to the American boots and shoes coming into New Zealand, that they are all of a high-class nature; they are twice the value of those coming from the United Kingdom, and therefore it shows that there is a demand in New Zealand for a finer class of goods, and that the people here are prepared to pay the price for such goods. At the same time, I am happy to say that we are in a measure meeting some of the competition from America. Already we have made an advance in respect to getting up a good article of better value, but to do that we have had to take advantage of the American raw material and machinery, and with these advantages we are making some progress. At the same time, if we were to join the Commonwealth we should find the competition under free-trade from Australia very great, and we could not be expected to hold our own with the Australians, although we have done so hitherto. I am afraid the trade would suffer. We have also to consider that allied with the bootmaking trade is the tanning trade, which furnishes the raw material for the bootmakers, and that industry would suffer with the other in the event of the colony federating. I estimate that two-thirds of the leathers worked up in boot-manufacturing are of local production, and we cannot tell how soon under federation we might lose, through its exportation, the value of this raw material which is at present used in the colony. In regard to the ability of the local bootmakers, I do not put them in second place. In regard to the competition we have to meet from the Australian Colonies, it is true that wages in Sydney and Melbourne are lower than here; therefore they have that advantage, and the advantage of longer experience is capital to them. I think those are the main features in the boot-and-shoe industry.

1233. Have you regarded the question from any other standpoint?—I have followed the evidence, and read and thought a good deal on the matter, and, as far as I am concerned, I am not prepared to vote for it immediately. I would require still further experience, for the simple reason that at the present time there is great conflict in Australia in regard to the tariff. It is proposed now by the Victorian journals to set up a 15-per-cent. tariff on leathers. That would affect us. If we stand out it would help us, because we could use more of our local leathers.

1234. You know that federation means intercolonial free-trade?—Yes.

1235. If we go in, could New Zealand hold its own?—Not all its own.

1235A. You say "wait"?—Yes.

1236. What is to be gained by waiting?—We are now making progress in meeting this competition. Goods are coming from Australia, and they are of a character that some have pleasure in selling, but others have no pleasure in selling or doing anything else with them.

1237. Do you anticipate that the protection put on by the Commonwealth will be higher than the New Zealand tariff?—7 or 8 per cent. less.

1238. Would your industry be able to stand against that reduction?—Yes, I contend we could, though it would affect other industries. We should still be able to hold a proportion of our business in competition with other colonial manufacturers or competitors. But, speaking generally, New Zealand would lose a good deal of its boot-manufacturing. It would then be left for those who remain to work to the best advantage against outside competition.

1239. Other industries would be affected, you think?—Yes, I think so, prejudicially. It is a question of tariff.

1240. Your opinion is that New Zealand should wait?—Yes.

1241. *Mr. Beauchamp.*] Is any Australian leather used here?—Yes.

1242. What is the duty on that?—1d. per pound to 6d. per pound.

1243. Under federation this would come in free?—Yes.

1244. How would that affect the bootmakers in New Zealand?—It would be against them.

1245. Why?—Because Australia being the larger consumer would have the benefit of our raw material free.

MICHAEL FLÜRSCHHEIM examined. (No. 155.)

1246. *Hon. the Chairman.*] What are you?—At present I am living as a private gentleman, writing books and pamphlets.

1247. You are resident in Auckland?—Yes, in Remuera.

1248. Have you been long in New Zealand?—Three years.

1249. Have you lived in Australia at all?—No, only passed through.

1250. Have you considered the question of New Zealand federating with Australia?—Yes.

1251. Have you studied the Commonwealth Bill?—Yes, in its general features.

1252. What is the opinion at which you have arrived as to New Zealand federating with Australia or not?—I am decidedly against it.

1253. For what reason?—My reasons are of two kinds—commercially and financially on the one side, and economically, socially, and politically on the other. From the financial and business point of view, I am confident that under present conditions we should import a great many more goods from Australia than we could export there, so that the financial balance would be against us, and we should run into debt with Australia. I do not believe in that principle which is often advanced by Free-traders—that goods are paid for by goods, and that importation necessarily entails corresponding exportation. Though we shall have to buy a good many industrial products, it does not at all follow that Australia will buy a corresponding quantity of New Zealand products. They could just as well buy these elsewhere, and we should have to run into debt for the balance in the form of mortgages, bonds, or in some other way. From a political and social standpoint, I am entirely against federation, because there are several reforms which I think necessary for this country which are bound to come, and which would be retarded perhaps for decades if we were included in this larger union, as contemplated. I have noticed in Switzerland, where I lived for a number of years, that some of the most important political reforms, which have made their way in the world originated not in the Central Government, but in the cantons. Having proved practical there, other cantons took them up, until they finally were adopted by the Confederacy. If we federated we could not go in for currency reform, land-nationalisation, or some other important reforms, on our own account; whereas if we go on in our way the time will come when the Commonwealth of Australia will adopt what we have found to be practicable.

1254. Have you considered how the revenue of the colony would be affected?—The revenue would be unfavourably affected.

1255. How about the Customs revenue?—That would be greatly affected. We ought to have a higher tariff than we have now.

1256. Do you think that the distance we are from Australia would affect us in any way?—It would affect us, and so make federation unadvisable. If we were a country united by land the distance would not make so much difference, because in case of war we could not so easily be cut off from one another.

1257. Do you think that federation is a good thing for the Australians themselves?—Certainly, it will benefit them in so far as it hurts us, because they will sell a great many more goods to us than we shall sell to them.

1258. *Mr. Leys.*] You have given a great deal of study to industrial and social questions, and have written a good deal upon them, have you not?—Yes.

1259. Can you detect, from your observations of New-Zealanders and Australians, any marked difference in the aspirations and character of the people?—I have not noticed any.

1260. Do you think such marked tendencies are likely to arise through our insularity?—I think that white labour is sure to be more permanently employed here than over there, especially in Queensland.

1261. Do you think that the fact of our insularity as contrasted with Australia, which is a continent, will have any effect on the character of the two places?—No; I consider Australia much in the light of an island, too.

1262. Do you think that the concentration of population in the large cities of Australia as distinct from the diffusion of population in the smaller centres here has any bearing on the federation question?—Certainly, I think it is one of our greatest misfortunes to have these great aggregations of people in cities. One of the greatest benefits of New Zealand is that it really has no large cities.

1263. You think that is an advantage?—Yes.

1264. How do you conclude that the social reforms in New Zealand would be retarded by federation?—Well, we have practical proof in the stage we have reached in both countries. We have made a beginning of land-nationalisation, for instance—with the addition, unfortunately, of a 999-years tenure without any revaluation, but that no doubt will soon be changed. But, anyhow, we have made a beginning of land-nationalisation, and there is nothing like that in Australia. Something in the line of the single-tax has been begun over there, but I do not expect much from that, anyway, although I think it works in the right direction. Then, in the currency question, nothing has been done there or here either, but it is easier for a population of 800,000 to be taught the real influence of the question than a population of four or five millions. The reason I came to New Zealand was that I thought I might do some good by spreading my views on currency and land reform.

1265. You look upon New Zealand as a good place for experiments?—Not experiments. A man who has become absolutely convinced as to the practicability of a reform does not regard it as an experiment.

1266. But have you not modified your own views as to the matter of land-nationalisation?—No, not since I got them nineteen years ago.

1267. You have modified your individualism very much?—Yes. The American trusts and the British co-operative movement have taught an important lesson in the direction of socialism.

1268. How do you account for the fact that Australia does not take up these reforms, seeing that the franchise is the same?—There is more difficulty in moving larger bodies of people than small bodies. Climate also may have something to do with it. From a general point of view, and having studied New Zealand as well as I could during the three years I have been here, I am convinced that New Zealand is a much better field for social reform than Australia.

1269. *Mr. Luke.*] You have had considerable experience in manufacturing?—Yes; I had a factory and employed a thousand hands.

1270. Did you find that centralisation cheapened production very much?—Yes; you can only specialise by having a large market.

1271. Do you think one effect of federation on New Zealand would be that the larger concerns of Australia could manufacture cheaper and send into this market, and cut out the local producer?—There is no doubt about it.

1272. You have carried on manufacture in a small way in New Zealand?—I was one of the directors in a soap-works at Petone.

1273. You do not think, from a manufacturer's point of view, that federation would be advisable?—Decidedly not, though there may be exceptions in the case of a few specialties.

WILLIAM JARVIS HARKER examined. (No. 156.)

1274. *Hon. the Chairman.*] What are you?—A retired merchant.

1275. Living in Auckland?—Yes, for the last two years.

1276. I understand from your communication to the Commission that you have given a good deal of attention to the question of the Australian Commonwealth?—I have, and with your permission I will read through my notes on the subject.

1277. Are you in favour of or against federation?—Decidedly in favour of it.

1278. Will you state your reasons?—I think it is only fair to the reasons that I should state my credentials. First of all, this question is more or less one of self-interest. As far as I am concerned, my bread and cheese depend upon English Consols, and English Consols are not affected by federation in any way. I am a much-travelled and retired London merchant, where for many years I carried on the largest business done in colonial produce. I arrived in the colony some twenty-one years ago, and since then my colonial experience has been that of surveyor, prospector, retailer, wholesaler, manufacturer, land agent, and auctioneer; whilst for three years I ran a hospital, for three years a farm, and for three years a newspaper. For the past forty years I have been a political student, and so described myself in the census of 1880. Owing to old age and infirmity I am now an arm-chair philosopher. The prosperity of this country rests absolutely on the prosperity of its producers; and that prosperity depends on finding a profitable market for their produce. No class of men work half as hard, as long, and for so little remuneration as our farmers, settlers, and country workers. Through the spring and summer months I, as one, have worked for sixteen hours daily out of each twenty-four hours. I have risen at 3 a.m. to churn the butter, taken it—a fine quality—early to the store, to get a return of 4d. to 5d. per pound, paid in dear and inferior goods. I have carted my produce—vegetables, fruits, &c.—to the chief town, fourteen miles distant, to find that there was no market for them. My neighbour, a large farmer, has given me as many cart-loads as I could use of the finest eating-potatoes to feed my pigs and stock upon; their sale not paying cartage. I have seen thousands of tons of grand potatoes left to rot in the pits for the same reason. A very few years ago the finest wheat was unsaleable at 1s. 6d. per bushel; ditto oats at 1s.; ditto eggs at 5d. per dozen; and so on: through all that the farmer grows and produces. Here, now, in Auckland, apples, tomatoes, vegetables, and fruits generally are not fetching bare cost of cases and carriage. Notwithstanding, and not understanding, all this, our town workers and factory-hands are loudly protesting against any opening of new markets for the very men whose prosperity alone can lay a firm foundation for the superstructure of their manufactures: surely a midsummer madness as great as if they refused to allow their own stomachs to obtain food. At present New South Wales takes our produce to the value of about £1,350,000 out of about eleven million pounds' worth. Were this shut out and thrown back upon our hopelessly overlaid home markets it would spell ruin. With our temperate climate, grand soil, plentiful rainfall, proximity to seaports, and cheap water-carriage, we should, under federation, find all that we need as a market for our produce. Then, and then only, are we justified in pushing on land-settlement. Whether we federate or not, our own large manufactories are bound to close up the smaller. Only those able to specialise their work to the utmost, and to constantly replace their machinery with the newer and still newer and up to date, can hope to survive. But those survivors, as always the fittest for their purpose, with their men living in a healthy and bracing climate, with the thermometer in the workshops ranging for nine months out of the twelve months from 60° to 80°, would not only hold their own against dwellers in a sub-tropical climate working in a temperature of 80° to 100°, but compete with them in their own markets. Terms and conditions of labour will undoubtedly in the very near future be the same throughout Australasia, based on the most advanced at present existing—our own. This is sure and certain. Though our selfish greed refuses to permit the Chinese to keep "China for the Chinese," the overwhelming majority of all Australasians will demand and maintain a "white man's" Australasia. Whilst I was penning those words the cable told us that Mr. Barton, the Premier of the Commonwealth, was promising the white settlers in the district of that great centre of the sugar industry in Queensland (Bundaberg) that kanaka labour would be abolished. If any labour other than that of the Teutonic race is necessary, thousands of hard-working, decent Italian peasants, now perishing in their own valleys and hillsides through diseases caused by semi-starvation, and thousands of whom now flee to South America, could be imported to the sugar-growing and tropical parts of Australia at less cost than kanakas; and gladly do the work, better and so cheaper than the kanakas, for a term of years, at the expiration of which time they should be entitled to a grant of land, when they would not only grow sugar, but olives, grapes, mulberries, and numerous other valuable products, and, when grown, convert them into oil, wine, silk, &c.: and here let me point out to our prohibition friends that no nations are so sober as those which manufacture their own light wines, and use them as their chief beverage—as instance Spain, Portugal, Italy, and France until her vineyards were destroyed by disease. They would also manufacture for themselves, and for export, vermicelli and their beloved macaroni, with a plentiful supply of which they would be, as its Italian name indicates, *makarios*—blessed, happy. Already up the Clarence River, when the sugar-cane harvest is in full swing, and the gathering of it in is let out in small contracts, neither black nor yellow labour can compete with the white; whilst in Queensland itself the German and other white settlers harvest their own cane themselves on their sections, and take it to the mills. Exit the great coloured-labour bogey.

Now let me turn for a few minutes to the evidence of our manufacturers, millers, merchants, brokers, and agents, and what do we find? Why, that it is tainted—I do not say wilfully—at its very source by self-interest—or, rather, what they think (mistakenly, I believe) to be self-interest. Nine witnesses out of every ten have their own axe to grind, and in eight cases, or more, out of every nine it is a town axe. We look in vain for the evidence of the men on whom, if we get down to bed-rock, the whole prosperity of the country depends—the producer; he is hidden away in his shell—that is, his farm—and, like the mollusc itself, he is inarticulate; nevertheless, he is the man that pays for all. The very slave-owners, for their own sakes, looked after the welfare of their slaves; whilst our town slave-owners, although absolutely dependent on the country workers, are utterly callous in providing for their maintenance, let alone their comfort. Our manufacturers and merchants hold the field, and possession is nine-tenths of the law. With energy and more up-to-date methods they can well hold their own, whilst the enforced adoption of the new and better methods would immediately benefit the consumer. The ostrich when in temporary danger buries his head in the sand, not because he believes that he thus becomes invisible—he is not such a fool—he leaves it to his unfeathered brother biped to formulate that silly theory—but because he knows that it is his one vulnerable spot: in a healthy industry its infancy is its weak spot, and may need the temporary shelter of a protective duty or a bonus; but to keep it for long thus artificially covered would as surely choke and throttle it as would the sand the ostrich in like case. Where are the great manufactories and prosperous artisans of heavily protected Melbourne? I will tell you: They are now flourishing in free-trade Sydney. We hear a lot about the open door for China, and are anxious for an open door throughout the world, whilst we keep our own not only shut, but locked and barred, with a *chevaux de frise*. And now let us clear our minds of the cant about reciprocity. Messrs. Barton, Reid, and all the leading politicians of the Commonwealth have plainly said that it must be one thing or the other—federation or exclusion. At present, if we federate, the markets of five millions of large consumers lie open at our very doors, are ours if we will—five millions that will soon be ten, twenty, and, by the end of the century, forty millions. The door once closed against us, the growers of Tasmania and parts of temperate Australia will grow the produce that New Zealand can supply now, and for ever afterwards hold those markets. Once we secure them we can hold them, for twelve hundred miles of water-carriage costs less than two hundred miles of land-carriage. Remember now, and consider it ere the door closes, that the drivers of the federal coach have said, and emphasized it, that there is to be no riding on the back step for New Zealand; it must be inside or nowhere. I know that there is some suffering in times of transition: that well-known crustacean, the lobster, has a ticklish time to go through when he is changing his shell; but, once in his new and commodious quarters, do you think he is sorry that he has shifted? I am satisfied that, the change once accomplished in our case, the results would prove equally satisfactory. I have none of the qualifications of a Jeremiah or Cassandra, but it is perfectly clear that a season of depression and low prices is about to set in throughout Europe. I will tell you why if you wish. The first stormy petrel of the coming depression, the fall in wool, has already alighted upon our shores: the one thing that will enable us to weather the coming storm is the open shelterage of the great neighbouring continent; if we make that refuge impossible, then God help New Zealand. The great Commonwealth showed a kindly consideration for the least and youngest of her members, West Australia, and would doubtless help us, too, over our period of transition. The old stock arguments against the federation of the United States that were refuted, and which 120 years of federation have proved were groundless, are all being trotted out again. Canada and Germany bear living testimony to their falsity. Newfoundland is a splendid living witness for New Zealand of the ruin and misery that have befallen a large colony, rich in natural products, that held aloof from her federating neighbouring continent, Canada. All the specious pleas now being raised against our federating were raised in the six Australian States, and were met and overcome. Carping critics there always will be; any fool can find fault; but it is not these men that do the work of the world, except after the fashion in which the drag draws the coach. In this world nothing is perfect or without its drawbacks, and federation is no exception; but the balance of good over evil, all history teaches us, is enormous. Our present consumers cannot take the half of our products now, and that half at miserably unremunerative prices, and not one-fifth of what, with markets, we should produce; it is inhuman to induce men to go upon the land to bring the fruits of their strenuous labour to markets already overstocked. Let the Government send the presidents of all the trades and labour councils, with an equal number of picked producers, over to investigate the question on the spot, and I am confident as to the result. Under federation Auckland would awake from its slumbers, and so would the whole of this large and fertile province. A dozen smart business-men from the other side, backed by Melbourne and Sydney money, would literally revolutionise the town and province. Factories and markets would spring up everywhere, mining would be developed, the canal from the Manukau to the Waitemata would be cut, making this one of the great waterways of the world, and the coal brought by water from close at hand—the Mokau—would make Auckland another Newcastle, and the roadless north, with its infinite possibilities, would be developed. The minds of the people, also, would be developed and get fair-play, and perhaps this would be the greatest benefit of all. I feel certain that if we hesitate to seize this opportunity to federate we are lost. One more point I want to emphasize, and that is this: Formerly 67 per cent. of the recruits who presented themselves for the army were accepted. In Manchester last year, of 12,500 who offered themselves only 1,000, or 8 per cent., were accepted. That is to say, that in three generations of factory-life, instead of 67 per cent. of recruits being accepted, Manchester was only able to pass 8 per cent. That shows what factory-labour does for the people.

1279. You mean that factory-work tends to degeneration?—That is so.

ALEXANDER DEWAR examined. (No. 157.)

1280. *Hon. the Chairman.*] What are you?—A mining engineer, and in my early life I was a builder and cabinetmaker. I have been thirty years in New Zealand.

1281. Have you lived in Australia at all?—Yes; I spent twenty-four years there, and was intimately associated with the early progress of Victoria, New South Wales, and Queensland.

1282. Have you read the Commonwealth Bill?—Yes.

1283. Are you in favour of New Zealand federating with Australia or not?—I am in favour of it. I arrived in Melbourne forty-eight years ago, resided in the Australian Colonies twenty-four years, visiting nearly all the colonies, and am intimately acquainted with the capabilities of each State. I have resided twenty-four years in New Zealand, ten years following my profession and ten years merchant and shipowner. I have visited every town of importance in New Zealand, and am intimately acquainted with its capabilities. From an industrial and commercial point of view, I unhesitatingly recommend federation with Australia on the following grounds: New Zealand produces, on an average, nearly three times as much per acre as Australia; hence if we had an open door we would have a large increase in our export of grain. When the abundant rains and regularity of the seasons become known, capital would flow in, and every acre of suitable land would be purchased and put into cultivation. The Geelong Woollen-mill was opened in 1864 and the Ballarat in 1871. These prospered and paid dividends till the New Zealand mills commenced and sent their products to Victoria and New South Wales. They could not compete with New Zealand. The two Victorian mills were stopped, and had to get 30 to 35 per cent. duty put on to enable them to continue. This stopped the export of our goods to Victoria. New South Wales closed their mill, and now our woollen manufactures are known all over that colony. The partially opened doors into New South Wales enabled us to export to them £1,118,699 in 1899. This includes £92,145 for coal, which New Zealand could produce if our mines were well designed and effectively managed. While our export to Victoria was £412,822 only, owing to excessive duties—oats, 3s. per 100 lb., or about 1s. 2½d. per bushel; cheese, 3d. to 4d. per pound; butter, 2d. to 3d.—if federation were to take place and an open door existed to the five colonies the trade would be immense. New South Wales' success is owing to their sending their experts all over the world to acquire the best means of tanning leather and machines to make boots. They now tan all their own skins, and import from Victoria, Queensland, and New Zealand. The manager of one of their factories informed me that a man and boy can machine 200 pairs of boots in a day. They defy the world. New Zealand exported last year hides to the value of £41,036, and 5,017,265 skins. If these were tanned in the colony, and the enhanced cost and duty saved, we could compete with New South Wales. With improved machinery and our choicest timber we could manufacture and export furniture with profit. Last year we exported 50,425,741 ft. of timber, and only received 7s. 7½d. per 100 ft. for it. If manufactured into furniture we would get a return of over £2 per 100 ft. There is no timber in either Victoria, New South Wales, South Australia, or Western Australia suitable for cabinet-manufacture. With an open door we could more than compete with Australia notwithstanding Chinese labour. During 1899 11,116 tons of kauri-gum were exported, realising £607,919. If this were manufactured into varnish it would realise £6,000,000, and provide labour for many men and boys. An open door into Australia would give an immediate consumption of 300,000 gallons, with a rapidly increasing quantity. There is no water-power available in New South Wales, Victoria, South Australia, or the southern part of West Australia. The water-power in New Zealand exceeds that at Niagara, is better distributed, and is ample for all agricultural and manufacturing purposes, which will materially reduce the cost of manufactures and agricultural products. With these natural advantages Australia cannot compete with New Zealand in any product. It has been stated to you that no New-Zealander would be likely to gain the honour of being Premier to the Commonwealth, but this is not borne out in the case of Prince Edward's Island, which is separated from Canadian mainland, and whose President has already held a high position in the Canadian Cabinet, and three of its native-born have been Governors of two of the States. I hand in a table of the export of New Zealand oats, &c., to Australia:—

Oats—	1898.	Bushels.
Victoria ... ..	...	100,350
New South Wales	...	439,250
Cheese—		£
Victoria ... ..	...	3,984
New South Wales	...	43,832
Australia	...	57,984
Butter—		
Victoria ... ..	...	11,907
New South Wales	...	29,651
Australia	...	57,003
	1899.	Bushels.
Wheat, average yield per acre in New Zealand	...	32.76
Oats,	"	39.56
Barley,	"	36.73
Maize,	"	43.95

1284. You stated that the exports to Victoria had practically ceased on account of excessive duty?—Yes.

1285. Is it not a fact that Victoria produces agricultural produce very largely and exports it?—They produce about one-third per acre of what we do.

1286. But have not they more than sufficient to supply their own wants?—Some years they have.

1287. If that is so, whatever the duty may be, it would not affect the produce going from this country?—It would affect it in this way—because they cannot compete with us; and if we had an open door, and it became a question of what part of the Commonwealth could produce articles cheaper than other parts, then where the cheapest article could be produced would be the place where the product would be derived from.

1288. You mean that if we produced cheaper than they did our products would find a sale in Victoria and theirs would not?—Yes. As one man in New Zealand could produce as much as three in Australia, they would use their land for other purposes.

1289. You have told us that, in your opinion, our manufacturing industries could compete with the Australian successfully?—I am sure we would, and that in time we would occupy the foremost rank.

1290. You are not the first gentleman who has told us that, but I have been struck with this fact: that it has been principally those who are not engaged in trade or manufacture who told us that, and that those who are personally engaged in trade and manufacture, or the majority of them, have told us the contrary?—Yes.

1291. Well, are we to take it that they do not know what is to their own interest?—I think, when you have a person who was never out of New Zealand giving you an opinion on these matters, he cannot be a judge of the capabilities of Australia.

1292. If it be true that the New Zealand manufacturers could successfully compete with those in the Commonwealth, might not we reasonably expect to find all the manufacturers anxious for federation?—There is a large number of our manufacturers in New Zealand who only study their own surroundings, and they have not taken the wide view I have taken of the colonies. They have not travelled and studied how they could compete, and consequently their ideas are dwarfed. It would be well if some of them were sent abroad to examine what is done in other places, and when they came home they would hold different views on these matters.

1293. *Mr. Leys.*] Do I understand you to say that the competition of our woollen-mills had shut up the woollen-mills in New South Wales?—Yes.

1294. Are you under the impression that a large quantity of our woollens are now sold in New South Wales?—I am sure of it, from personal observation.

1295. Would you be surprised to learn that the total amount of our exported woollen goods to New South Wales in 1899 was only £5,427?—I do not know what that export has been, but I know it is four years since I was there, but that then I was informed by storekeepers that they imported our blankets and tweeds as cheaply as they imported them from England, and were in high favour.

1296. Do you think that that amount represents anything like the imports of New South Wales from England in respect to woollens?—What was the import the year before?

1297. In 1897 the woollen piece-goods exported to Australia from New Zealand was £7,606; in 1898, £6,859; in 1899, £6,981: what do you say to that?—That shows that, as far as Victoria is concerned, our woollen export has been closed up completely.

1298. No. In Victoria in 1899 there were piece-goods to the value of £1,265 and about sixty-two pounds' worth of blankets imported from New Zealand; and we have the evidence of the Kaiapoi Woollen Company that their idea of starting a branch in New South Wales was carried out, but that they closed it up because they did not receive sufficient encouragement in the shape of a market. In view of these figures, do you still think it reasonable to say that the export of our woollen goods has shut up the woollen-mills of New South Wales?—I say that at the time that they shut up it was owing to the fact of New South Wales having taken off the duty on most articles of English manufacture, and very likely those importations have pushed out ours to some extent; yet the Kaiapoi people have a large warehouse in Sydney stocked with these woollen goods.

1299. Can you mention any other item of manufactured goods that goes into New South Wales from here, although there is free-trade there?—I do not think there is any other that can be put in. We have sent furniture in; a firm in Auckland furnished a house in Sydney with kauri furniture quite recently.

1300. Would you be surprised to learn that, notwithstanding our heavy protective duty on furniture, considerable quantities of furniture are coming into this colony from Sydney?—I am quite prepared to believe that.

1301. In that case, how do you suppose we can send furniture to Australia?—There is no question that if we stay out of the Federation the factories in Australia will take the lead, and will leave us in the background; but if we federate we have the raw material already in the colony, and capital would come here and establish large factories such as they have in America, which will supersede the factories we have here, and by reason of the large output and cheaper cost of production which would then be the case we should be enabled to export largely.

1302. You have been very closely connected with mining: what effect do you think federation would have on that? Would it affect it beneficially or otherwise?—I do not think it would affect it.

1303. *Mr. Beauchamp.*] You think that federation would mean an increased demand for land in New Zealand: why?—Because our land produces three times as much as the Australian land, and any person who is able to produce from his land three times as much as any one else is more than likely to purchase land so as to command the market.

1304. But is it not a fact that the demand for land at the present time in New Zealand exceeds the supply?—I do not think so. It may exceed what is offered to the public, but it does not exceed the demand, because we have got millions of acres in the north which would be available if we had a railway through it, and there are millions also in the south of the Auckland Province that are not yet under cultivation.

1305. Is it not a fact that land in Australia is very much cheaper than it is here, and that the cost of cultivation and harvesting is very much lower than it is in New Zealand?—I do not see

that that should be a feature at all—what a man pays for his land—because the land in Australia might be put up to a fictitious price. You must look at what a man's labour can produce; and if New Zealand can produce three times as much to the acre as Australia—and in some cases it is five and six times as much—will not that country dominate the other?

1306. Would you consider that South Australia, producing only 7 or 8 bushels to the acre, can compete satisfactorily against New Zealand in the London market?—We do not send much into the London market now. South Australia may send its wheat there, because it cannot get a higher price nearer home. South Australia with its level lands can cultivate at a smaller cost than we can, but, as to sending it abroad, I do not know that they have any advantage over us.

1307. Well, if we can produce three times the quantity of wheat, why do we not ship wheat to the London market?—If you look at the production of wheat in the colony you will find that some years ago we produced something like an average of 8,000,000 bushels per annum, while in 1898–99 we produced about 13,000,000 bushels. For 1899–1900 we produced 8,581,000 bushels. The production of wheat is about one-half what it was, and the reason why it fell off is because wheat fell in the London market from £2 18s. to £1 8s., and our farmers could not produce it at that price and make it pay, so they had to increase their frozen-meat export instead.

1309. Does not that look as though the farmers had been able to turn their attention to something which has paid them very much better than the growing of wheat?—Yes, they had to with wheat at £1 8s. per quarter.

1310. Would you recommend the New Zealand farmers to give up the production of meat, for which they find a profitable market in London, and turn their attention to wheat, out of which they can make nothing?—I do not recommend that; but I believe the increased area of land which would come under cultivation through federation would provide us with sheep for freezing, and also with wheat, and it would not detract one particle from the production of wheat in New Zealand if we put more cattle on our lands, because the increased population which New Zealand would then carry would take all the agricultural produce that we could grow, and leave sufficient to profitable export.

1311. As regards kauri timber, is there not a very profitable market for that timber in Australia at the present time?—There is a fair market if we choose to export balk at 5s. 6d. per 100 ft.

1312. Must not they have it?—Not exactly. They will have it if you choose to sell it to them at 7s. 7½d. or 5s. 6d. per 100 ft., as you did last year. Then no doubt they would have it; but I think we are sacrificing the natural products of New Zealand by selling our timber at that price without gaining any equivalent.

1313. You would recommend us to keep our timber here instead of shipping it to Australia?—If federation is assured I would recommend that our timber be conserved and made up here, and if any man had the matter in his own hands he would certainly keep the timber here instead of selling it at 7s. 7½d. in Australia.

1314. If it is a fact that Chinese labour is very largely used in making up furniture in Australia, how could our people compete with them when we only employ white labour here?—If we had the machinery we could manufacture furniture at such a rate that no Chinese labour could compete with us.

1315. Therefore you do not fear the competition from black labour if given up-to-date machinery?—Certainly not.

1316. Has not furniture been already made in this colony from kauri timber?—Yes.

1317. Is any furniture made from that timber exported?—I think so.

1318. You expressed an opinion that kauri-gum made into varnish should bring something like £6,000,000 into the colony?—Yes.

1319. Where do you think we should obtain a market for that varnish?—In Australia, where we have the prospect of a market forty times larger than we have here.

1320. How is it that the export trade has not developed more rapidly in regard to the making of varnish?—Because we have no proper manufactory here, and our manufacturers have to buy their articles at a high rate, and they have not the means to manufacture anything like the quantity they would if they had an export market for it. They must have appliances, and there must be capital, and a connection, before they can make the manufacture profitable. If we federated there would be, I take it, a duty against outside importations, and that would assist our trade, because we have the natural product, and all we want is the capital and the market to develop it.

1321. But, in regard to that product, would you recommend us to depend simply upon our intercolonial trade?—Certainly not; but I would recommend that our internal trade should be cultivated and developed the same as it is in the United States, where each State is allowed to send to one another free of duty any article that can be produced cheaper in one State than another—that is to say, any natural product that can be developed in any particular State is allowed to be sent all over the other States free.

1322. *Mr. Millar.*] You have stated that, in your opinion, under federation our industries would increase?—Undoubtedly.

1323. Assuming we had free-trade with all the colonies, how comes it that, while we have free-trade with New South Wales now, and have had it for some years, we have not been able to develop an export trade in our manufactures with that colony?—Our exports to New South Wales have been £1,118,000, while under federation that would be very largely increased; and we know that in the case of Victoria, where we had a very large market before they put on their tariff, it has fallen off, and practically ceased, since that tariff was put on.

1324. What falling-off has there been in our exports to Victoria during the past ten years?—I do not know, and I cannot speak of what is being done now, but I can, from personal experience,

of twenty years ago, because I was in business there then, and I know that our exports before the tariff was put on were very considerable.

1325. Have you any idea of the value of New-Zealand-manufactured articles to-day?—No; statistics show that.

1326. The total value of the export trade to Australia is about a million and a quarter, excluding gold, and the value of our manufactures is thirteen millions: that being the case, and the bulk of those manufactures is to be injured by federation, would you still advocate it?—Certainly. I say if we had the open door to the whole of Australia we would do an immense trade.

1327. Seeing that Victoria and New South Wales are gradually increasing their productions, do you still insist that there is going to be a good market for us there?—In certain products our trade might be diverted, but, on the whole, I say that the open market will be an immense advantage to us.

1328. If you can produce at one-third the cost that Australia can, how comes it that oats in New Zealand stand at 1s. 7½d. the bushel and in Victoria at from 1s. 5d. to 1s. 7d.?—Victoria has got a duty of 1s. 2½d. a bushel.

1329. Does that alter the selling-price?—Their oats are about 2s. 6d.

1330. No; 1s. 5d. to 1s. 7½d. is the market quotation to-day?—Perhaps that is inland.

1331. No; the price in Melbourne?—If your statement is correct, then our oats, if shipped there, would only realise to the New Zealand shipper 2½d.

1332. Would that pay any man to ship oats there?—I admit that they have done a great injustice to our farmers in imposing this duty of 1s. 2½d., and the price they are paying for oats ought to convince us and them of the necessity of federation.

1333. Supposing that duty were taken off, how many of our farmers could take advantage of that market at 1s. 5½d. to 1s. 7d.?—Their oats are not as good as ours, and it takes about 20 bushels more to make a ton of oatmeal than it does of ours. They have to import our oats to make oatmeal in bond and send it to the other colonies duty-free.

1334. And they can get New Zealand oats in free now for milling purposes, can they not?—Yes, for manufacture under bond. The profit to the legitimate exporter to Victoria of oats is the difference between the duty of 1s. 2½d. and the price you say oats are in Melbourne, 1s. 5½d.—3d.—a good argument for federation.

1335. Supposing it were free?—I know a great many millers over there who say they cannot make oatmeal without our oats.

1336. They do not pay any duty on meal manufactured in bond?—No, that is so.

1337. They get their oats in without any payment at all in duty?—They get their oats into bond, and they import and take them into the country as well, because it pays them better to have our oats.

1338. Do you consider yourself a better authority on what would suit the Victorian farmers than their leading country newspaper?—Certainly not.

1339. Will you be surprised when I tell you that the *Argus* says you can put on any duty you like, and New Zealand cannot compete with the Victorian farmers?—That is nonsense. The *Argus* must qualify that by something else.

1340. Coming to cabinetmaking, you said that you believed that with improved and up-to-date machinery we could compete with Chinese labour?—Yes.

1341. Have you seen a cabinetmaking-factory in the colony?—Yes.

1342. Working with machinery?—Yes.

1343. Which one?—The Tonson Garlick Company, and one in Wanganui. I brought furniture over to New Zealand from Melbourne.

1344. I am talking about the trade in New Zealand: do you know of any establishment in New Zealand where cabinetmaking work is done by machinery?—There is a certain amount of machinery used. The present mode of working does not satisfy me, because it does not give the result it should.

1345. Have they not acquired in Dunedin the latest plant that is available?—No. I cannot say what is in Dunedin. But if you can tell me what machinery they use I will give you an opinion. For instance, what planer do they use?

1346. I cannot say?—Then, I cannot give an opinion.

1347. You are aware that the Chinese cabinetmakers have pretty well wiped the European cabinetmakers out in New South Wales and Victoria?—I do not. I know that in New South Wales the English manufacturers are working side by side with the Chinese.

1348. Do you think you could establish a factory here to-day which could compete with the other side?—I think I could design a factory that no Chinese labour could compete with.

1349. Do you not think you could get sufficient money if it is profitable?—I have to leave it now to those who have got more youth and energy to do it. I have retired from that work now.

1350. Briefly summed up, you favour federation no matter what its cost to this colony is?—No; I never made any assertion of that kind.

1351. Under what conditions do you approve of federation: is it to be the greatest good to the greatest number?—Yes.

1352. Under these conditions you favour federation?—Yes. There may be some little difficulty for a time; but I believe our natural products would overcome every difficulty in the way, and bring us out at the top of the tree. I have not the slightest hesitation in saying that.

1353. *Hon. the Chairman.*] You said that you have lived in Queensland?—Yes.

1353a. Can you tell us anything about the black labour? Do you think it is possible that the sugar industry can be carried on successfully by white labour?—I think it can, and I think it will be. I lived there about four years ago, and I was through a sugar-growing district, and was the

guest of the manager. The view of the manager there was that they would do away with black labour as soon as possible, because it was the dearest labour. White labour will do more work and give better returns than black labour.

1354. Within what period did he expect they would be able to do away with black labour?—He said, as soon as they would get sufficient white population to warrant the work being carried on.

1355. Do you think, from your knowledge of the country, that successive generations could live there?—I think they could; but, of course, they would have to be young men who went into the country and got acclimatised.

1356. You know that in India young people are sent home if their parents can afford it?—Yes.

1357. Do you think that children could live in Northern Queensland, and thrive?—Yes. I have seen as healthy and sprightly children in Queensland as anywhere, even in the far north of it.

JOHN CHAMBERS examined. (No. 158.)

1358. *Hon. the Chairman.*] What are you?—Importer, more particularly of machinery and goods connected with mining.

1359. You have lived a considerable time in New Zealand?—Thirty-six years.

1360. Are you acquainted with Australia at all?—Yes.

1361. Have you lived there?—No; I have visited there at different times.

1362. Will you give us your opinion as to whether New Zealand should federate with Australia or not?—I find that a most difficult question to answer. There are so many good reasons on both sides, but I have come to the conclusion that the balance is in favour of our not federating.

1363. Perhaps you will give us the reasons on both sides if you could?—I do not think, considering the distance we are from Australia, and Australia's preponderating part in the partnership, that it would be to our advantage to federate. We are too far off to take up our proper position. If we had federated with Fiji and the whole of the islands it would have been better. Still, I cannot see, as a New-Zealander, that it is to our advantage to join with Australia.

1364. Do you mean it would be to the advantage of New Zealand to join a federation consisting of Australia, New Zealand, and Fiji?—No; it would be more reasonable to federate with the islands.

1365. You say that distance is one disadvantage: what other disadvantage would there be?—I do not think we need fear labour coming here from Australia; I think that New-Zealanders are quite able to hold their own. New-Zealanders say they would rather work for less money in New Zealand than in Australia, and I have heard it said that they would rather be here; but men we have trained ourselves, and who have gone away, have done very well in Australia, and I find there is a demand for New-Zealanders in Australia.

1366. The question would be the rate of wages ruling in the two countries?—I do not think there is much difference. Take engineers: they are paid just as high in Sydney as in Auckland. The company I am connected with pay higher wages than we do here.

1367. What is your opinion as to New Zealand manufacturers competing with the manufacturers of Australia under federation?—I think we have as large an amount of natural products in the shape of coal, iron, and lime as they have. I think we could manufacture iron as cheaply here as anywhere.

1368. You have had considerable personal experience in reference to the iron-deposits at Parapara?—Yes.

1369. They are very rich iron-deposits?—One of the finest in the world.

1370. Will you explain how it is that these deposits are not worked?—There is not sufficient demand for iron in New Zealand to warrant the establishment of a factory, which would mean an outlay of at least £100,000.

1371. Is it not a fact that a company from Australia had a lease of that property before you were interested in it?—There was a company interested in it, but I do not know where they came from.

1372. They did not work it?—No.

1373. And, as a matter of fact, no one has worked it systematically?—No; there was not sufficient demand in this colony to warrant the outlay of capital.

1374. That deposit is well-known in Australia?—I expect it is; it has been advertised a good deal.

1375. Can you account for its not being worked by a company from Australia?—They have plenty of iron-ore in Australia, about a hundred miles from Sydney.

1376. Is it want of capital or the price of labour here, or that the raw material can be imported from Europe more cheaply?—No, I do not think it is from any of those reasons. I think it is merely that there is not sufficient market for it. As much could be made here in a couple of months as would supply New Zealand for a couple of years.

1377. Then, it is worthless?—No; it will come in yet. There is coal within four miles, and lime right alongside.

1378. All the elements required for the manufacture?—I firmly believe that that will be worked before long. Parapara iron rolled into sheets would make first-class sheet-iron. I believe pig-iron could be made there as cheap as anywhere; but what will stop development there is the enormous expansion of works in America.

1379. Have you considered the financial aspect of the question?—Yes. I do not like it.

1380. By reason of the extra taxation that will be necessary?—Yes.

1381. Can you tell us any advantages that will accrue to New Zealand through federation?—Yes.

1382. What are they?—I will give two instances, both for and against. When in Queensland I was offered the agency for Queensland beef, and I said, "You cannot compete with New Zealand." At the time there was a mob of cattle coming along, which would be worth £5 or £6 a head here, and the manager said they had been bought for £1 5s. a piece. Then, at another time, when there was a drought in New South Wales and Victoria, and wheat and fish were going over from New Zealand, Victoria put on a duty of 3d. per lb.

1383. Do I understand you to say that Queensland beef can be landed here at a cheap rate?—I think that is very much against federation.

1384. Cheap food would benefit the people?—No; we would lose by it.

1385. Are there any other reasons you can give us for or against federation that have occurred to you?—Well, in favour of federation, I think we could hold our own in manufactures. Our minerals are as good, and we can do as much—in fact, more than they can in Australia, and the prices are as low in New Zealand as they are in Melbourne and Sydney. I have gone through the latest Australian iron-trade catalogue, and it shows the prices to be lower in New Zealand than in Australia. Pig-iron is just about the same, and the freights from England to New Zealand are a little lower than to Melbourne and Sydney. That has been contradicted, I know; but here are the figures for it—1st February of this year. Here are the shipping notices of the Tyser line, New Zealand Shipping Company, and the Shaw-Savill Company respectively, and all show the same: Pig-iron, bar-iron, bars, and rods, 18s. 9d. freight to New Zealand ports; £1 and £1 2s. to Melbourne and Sydney. So that it is slightly in favour of New Zealand.

1386. Do I understand that you are against federation?—Yes.

1387. *Mr. Roberts.*] We had one of your ironfounders here who said that the freights to the other side were very much less than they were to New Zealand, and that pig-iron could not be bought here anything like so cheaply as in Australia?—That is the reason why I brought these lists. I think there are as good ironfounders and moulders here as you will find anywhere. They are making castings now at as low a price as we can import them at. There is a duty of 20 per cent. on most of the goods that are imported.

1388. *Mr. Millar.*] Do you think that by federation we would get a much larger market for our agricultural products than at the present time?—I think that some people would gain a good deal by federation, and some would lose; but the balance would be against us.

1389. *Mr. Beauchamp.*] At the present time I think the balance of trade as shown by the last returns is slightly in favour of Australia: assuming that to be the case, do you think it is likely, in the event of our not federating, that the Commonwealth will put a heavy tariff on products exported from this colony?—I do not expect they would. I think the better course for us would be to try and arrange a treaty with the federated States. Federation is too close a partnership altogether.

1390. Are you of opinion that the value of the commodities passing between the two countries would warrant the two countries entering into a treaty?—Yes.

1391. In respect to the various iron-foundries, how do those in New Zealand compare in size with those of Australia?—Those of Australia are larger.

1392. *Mr. Luke.*] You were saying that coal was as cheap and as good here as in Australia?—I was referring to the coal at Parapara.

1393. Have you not had direct experience in trying to deal with these deposits at Parapara?—Yes.

1394. Why could you not make it a success?—It did not pay. After I gave it up a company attempted to do things that were impossible. You cannot make pig-iron except in large quantities.

1395. Was not the number of hours a factor in your failure to produce?—No.

1396. Would not federation rather help an industry like that by giving you a larger market?—Yes; that is one of the things in favour of federation. A joint demand from Australia and New Zealand might warrant large works being put up there.

1397. And some time in the immediate future these deposits will be worked?—I do not think it will be very long before they are.

1398. You raised the question of freights, *Mr. Chambers*: is it not a fact that up to the last year or two pigs, bars, and plates could be purchased very much cheaper in Australia than they could be brought out for from Home to New Zealand?—Up to a year or two ago.

1399. The difference has since taken place because of the unsettled state of the markets at Home?—No; I think it is more due to the freights.

1400. Do you think we can attach much importance to these published lists of freights?—We pay hundreds of pounds every month according to the lists for freight.

1401. Is it not a fact that pigs, bars, and plates often come out to big ports at a nominal rate of freight?—That happens all over the world at times.

1402. But does it not often happen that pig-iron is brought out for stiffening?—Not so much now as before. Ships have water-ballast now.

1403. Up to the last year or two, and within the last year, there were cases, do you not think, where pig-iron was brought out at a nominal freight?—I do not think there is very much in that.

1404. You have no knowledge as recent as last year whether pigs and bars were brought out as ballast?—I have no knowledge of it.

1405. You were saying that the manufactures of New Zealand were quite as good as those of Australia?—Yes.

1406. That is, in the matter of workmanship?—Yes.

1407. But there is generally a prejudice against the locally manufactured article?—I have suffered from it myself.

1408. That comes more from ignorance than from anything else?—Ignorance and prejudice.

1409. The manufacturers of New Zealand, whether we federated or not, would hold their own against those of Australia?—Yes.

1410. *Mr. Leys.*] Do you not attach any importance to the larger output cheapening an article?—Not much. I was in a large factory in the United States, and a man there will turn out three times what a man will here or in Australia. They work longer hours and much harder.

1411. Is it a fact that the Americans can sell their surplus much cheaper in the colonies than they can in the home market?—Certainly. If you go to places in America and ask the price of tubes for New Zealand they will knock off 20 per cent.

1412. Do you not think that those big factories in Australia would apply that very principle to us under federation, and ship their surplus to New Zealand?—I think it wants a bigger trade than that.

1413. I am not referring to the iron industry, but to bootmaking and similar industries?—We have hedged our industries round with tariffs and Acts of Parliament, and so on, and are in rather a false position.

1414. Of course, you look at this very much from the standpoint of a Free-trader?—I do.

1415. Is there any duty on iron in Australia?—No.

1416. If there is no duty federation will not help such places as Parapara in any way?—No; the market is open to us now.

1417. I understand your objection to federation generally is that you object to handing over the control of affairs to a distant Parliament?—That is so, generally. Of course, there are a great many other questions raised too. We are dependent upon Great Britain now, and if anything happened to that country now we would suffer more than Australia, because they take such a large percentage of butter, and so on. We have got all our eggs in one basket.

1418. You think an effort should be made to open up other markets?—Yes.

JESSE KING examined. (No. 159.)

1419. *Hon. the Chairman.*] What are you?—Commercial agent and accountant, residing in Auckland. I am a Londoner, and have been here twenty years, and was for thirty years in Australia and Tasmania.

1420. Have you studied the Commonwealth Bill and the question of federation?—I have.

1421. Will you give the Commission the conclusions at which you have arrived in the matter?—I think my ideas on this subject may be best communicated to this Commission by reciting extracts from an address given by me to the members of the New Zealand Natives' Association on federation on the 30th August, 1899, when this colony had an opportunity of joining the Union as an original State, adding events that have since arisen. The indolence of the Government in keeping the people of this colony in ignorance of possibly the greatest political movement in British history outside Great Britain itself, and one that may throughout the century now entered upon find no parallel in magnitude in the world—this irreparable blunder of the Government will doubtless later bring that odium on the actors they deserve, that will be historical, and blight records that might otherwise have been good. I desire first to point out the commercial advantages of union. An unsuccessful federation does not exist. On the other hand, boundless advantages have resulted to all; even to one, where bloody compulsion had to be resorted to. I would indicate the Motherland as a parent of wealth and strength, and these colonies as her offspring of seven, already with a goodly heritage, inspired by the motto "Unity is strength," resolve for profit, protection, and economy to band together. This, then, is exactly the case of federation. To grasp the idea of unity, I would have you note what advantages would accrue to the proprietors of, say, our banking institutions were they to amalgamate, in which case the expenses would decrease enormously, the business would be more profitable in consequence, and better control and efficiency would be assured. In the same way unity of provinces would result in emerging from the narrow limits of provincialism into the wide domain of national life, and in this case with vast possibilities. Our united population over our vast area is but four millions, or one-tenth of that of Japan, whose possessions are no larger than New Zealand. If, then, Japan can sustain forty million people, what is the sustaining-power of this vast Commonwealth? A mere handful in the world's millions now, with a boundless catalogue of productions from these the richest areas of God's earth, yielding a million sterling of gold every four weeks, and imports and exports equal to that great nation Russia, with its hundred and twenty million souls. Permit me to read from a cable-gram dated Sydney, 2nd March, 1901: "The returns from the various States show that the trade of the Commonwealth last year aggregated £141,137,000, being an increase of £690,000 over the previous year." I would ask you to add our figures, then we realise what New Zealand would be part and parcel of, and, isolated, again look on our figures. That eminent man, Cardinal Moran, has put it in a nutshell that the struggle is "Patriotism *versus* Interest." Success of the former means unbounded advantage to the latter. No great political change can take place without a measure of suffering, and that is why interest is struggling against the movement in a small selfish way; and, whilst the greatest sympathy and consideration should be shown to any disarrangement of the fortunes of the few, later to be set right, they must fall out on the march meantime. It is only this insignificant section that can offer feeble resistance, and were I in this set I might of necessity sink patriotism in self-interest; but against the unit there is a hundred, and patriotism succeeds, as it did in West Australia, against political obstruction. Before this Commission will come the anxious manufacturer of the set I name, fearing that "whilst the grass is growing the horse is starving." Natural industries must have a bold future; the day for bolstered industries has passed. We boast of our splendid country and its resources; we are vain of our manhood, with equal tools and such splendid opportunities: all this is vain boasting if we succeed not. Let me effectively answer Sir John Hall's twelve hundred reasons why we should not federate—viz., the mileage to Australia—by the words of that greater man, Sir Lyon Playfair, who says, "Dis-

tance is now annihilated by the cable, fast steamers, and the canal. There is but one market—the world. We can cable transactions with the Antipodes in a few hours." Which statement is most worthy of acceptance? Do we not each morning read the events that have happened the day before at the other extremity of the world at our breakfast-table? Have we not had it demonstrated that Sydney is but three days three hours distant, and is therefore nearer Auckland than the southern part of New Zealand? Within the Commonwealth itself, is there not four times the distance from Westralia to be covered to reach Sydney? Why, then, do the opponents of this great movement cling to this absurdity? I say it is because their cause is so hopeless, an utterly selfish one. I would point out that producers, both in New Zealand and Tasmania, being insular, have undoubted advantages over the Australian farmer, who is inland so far that the average distance from the great centres cannot be less than two hundred miles. The farmer cannot compete on even terms with a two-hundred-mile rail-age-freight against a twelve-hundred-mile water-carriage; thus the farmer, say, in New South Wales is at a positive disadvantage in his own and all other markets against New Zealand. These two colonies can therefore beat him not only in his own market, but in all the other four markets at their command, for the freight from port to port must be paid, in addition to carrying the produce from long distances inland to port of shipment. The island farmer must beat the continental. It must result that the gains, apart from greater fertility and greater yields, to New Zealand will be much larger for New Zealand produce with six open ports than with one—but, unless we join soon, with none. If free-trade Sydney is compared with protectionist Melbourne in farm-produce imports from New Zealand, it will be found how valuable to our farmers the trade would be even now, and ever increasing with the enormous expansion in the future, with the latter and other closed ports open to us. Opponents will tell you that New South Wales and the other States now export largely. This is correct. The wheat yield is greater in Victoria alone than that of New Zealand, but certain of our produce finds a market, as our exports disclose, notwithstanding. I regret this is a blind so often used, yet the fact remains. We have to face this question: Are we to lose our second-best customer by standing out of federation, which even now, *per capita*, is more to us than that of London, and which market has enormous possibilities? Are we to be like an equal competitor, California, to knock at the door for orders? When the Australian finds it more profitable to grow the potato he will discard the merino. Like in England the various localities, such as Sheffield and Manchester, find their natural seat of respective trades, so will the same be repeated here. We can house, clothe, and feed the Commonwealth unobstructed. Our forests contain building-timber, and timber for furniture of most beautiful grain, an industry yet to be expanded. Our wool—unlike the merino—is of a kind that gives New Zealand a market in Australia over local productions; and to what proportions must this trade grow, properly handled, with a large united population? What value is a manufacture to a country that has to be bolstered to the loss of every customer? What hope is there for such even against any barrier in the future, federation or no federation? How can the weak here stand against the great houses, ever expanding in magnitude like America, at the very door of New Zealand? Opponents say, Will you depopulate New Zealand by extinguishing these unprofitable undertakings? The answer is that, admitting the boast that New Zealand has such natural advantages, and that the growth of the Commonwealth will be great—which means prosperity—the population, increasing by leaps and bounds, will require to be catered for in many new ways. Let us consider our local chances. Go into an ironmonger's shop, and you may count on your fingers the number of articles made in the colony. Under federation, with population, we can make all the rest with coal and iron. How impossible without. Mr. Chambers confessed to our rich iron-deposits being unpayable because of the want of population. Go into every store-house in every department of trade, and you will see the future openings for enterprise. Will not the trade-marks "Onehunga," "Mosgiel," "Kaiapoi" stand against shoddy in our woollen manufactures? And if we push the trade doubtless we will create a Manchester, and of the varied stocks now imported by the draper many will doubtless be made within the Commonwealth when population makes such establishments profitable. The opportunity is given for New Zealand to embrace this trade, seeing that over the barriers of protection New Zealand woollen goods find their way into Victoria, notwithstanding that woollen-mills are established there. Depopulation is more likely to take place by New Zealand standing out of federation. The full roll of the Commonwealth is only that of America a hundred and ten years ago, and an exodus will most likely take place from New Zealand unless she can take a hand in setting this vast machinery in motion. Need we fear with coal, iron, wool, farm produce, and power? If America can increase twenty-fold in a century, what is likely to be the increase in Australasia? With the rapid progress of the world in our time, and the means of travel, what took America so long to make its numbers up should take these colonies but a few decades. The greatest bogey opponents have set up has been a few Chinese furniture-makers. The makers of furniture for four millions of people fear this handful of men, whose number cannot increase, but with growing population will soon be quite out of sight. The strong determination to guard these fair lands from the "yellow agony" and "Mongolian horror" is evident, so that anxiety on this score is at rest, for we all have before us the black blot of America, and Australasia will not have it. I can conceive of no man who should be happier than the worker under the changing condition of affairs, whose position is absolutely secure, even more so than in the safe custody of our grandmotherly Government—assured, all along the line, of future prosperity by natural laws of supply and demand, insuring good-will between capital and labour; federation at once serves him the best, and, unlike the farmer—a fixture—he can take up his kit, and be off to the best market for his labour. A reliable witness, Mr. Chambers, has stated that men in the iron trade are even better paid in Australia than here, although workers get here as high as 15s. per day. Think, workers, of the services required in building up the Empire! Think of the great activity in shipping and in all ramifications of trades! Any one who followed the struggle of the last campaign in Sydney should have a full grasp of this

matter. The question of cost was threshed out by a committee of three, Messrs. Bruce Smith, French, and McLaurin, acknowledged high financial authorities. Two of these gentlemen opposed federation—therefore are unlikely to underestimate—because of Sydney being rejected as the capital, and because of too great a surrender by New South Wales. But, as to cost, their report gives £260,000 as the new expenditure under federation, but they raised it to £300,000 a year. This latter sum was acknowledged by the last Convention, and the Chairman, Sir Richard Baker, of South Australia, in his final remarks, stated that his colony would have to face an expenditure of, say, £30,000 a year as its share, but on the other side the savings on loans would be £35,000 per annum, or a gain of £5,000 a year to South Australia. The statement of account would be thus:—

<i>Dr.</i>		<i>Cr.</i>
New expenditure ...	£30,000	Savings ...
Gain ...	5,000	
	£35,000	£35,000

Against the research of these eminent men of figures, we have those of the chairman of our Chamber of Commerce, who stated to this Commission that the cost to New Zealand alone would be something like £600,000. This is the sort of nonsense opponents make public to the detriment of the cause. Now, which statement is to be accepted? Note, new expenditure arises, if any, by a more important body administering, *vice* a number of smaller bodies surrendering, certain departments. The statement of an enormous expenditure in Australia in which New Zealand cannot benefit is one to be corrected. I would remind you that the great City of Melbourne is built on a square mile, and the freehold is exceedingly valuable, and the territory New South Wales has to provide, Crown lands free of cost, is an area of 100 square miles. Melbourne is a fair comparison to the future Federal city; and, that being so, it is clear that, with territory a hundred times that of Melbourne—all the property of the Commonwealth—the enormous value of this estate may be put at even greater than the continental railways, and New Zealand would have one-seventh interest in this. This possession alone will many times cover any new expenditure by the united States in this matter. The next great expenditure will be, say, on a trans-continental railway, and we New Zealand people desire to know our position. I regard New Zealand as the drawing-room of the Federal habitation, and that these long-distance railways will only be used by passengers of means. From top to toe of New Zealand, look where one will, one sees a thing of beauty, the loveliest under the canopy of heaven; and, in keeping with this, a climate throughout all any one can desire. I count these railways, then, as the greatest feeders to our own, and that the New Zealand quota of cost is small compared to the advantages. Moreover, the Australian railways are admitted to be a splendid asset for the entire indebtedness of the colonies; and this is because, being continental, railways are a monopoly, and a tariff can always be made to keep them payable. Again, they go at a speed that enables them to move freight and passengers profitably at a price lower than any other artificial means on land. I think I have clearly shown that the bogey of cost is a myth. I have stated that federation will be the greatest gain to the worker. I now say that he will have the greatest voice in the Government, for he will have a vote for both Houses of Parliament, and with his numerical strength he should dominate. I may also remark that all the property taken over for the use of the Commonwealth will be paid for; therefore the States will have a substantial sum for this property parted with. It has been said that New Zealand will lose its identity; but how does it follow that we will? In State affairs all States should be able as now to do as well, and should do better by giving more attention to internal requirements. In Federal matters—a higher department—the management and control should be better. Does Britain suffer by the expense of its administration? Have we any reason to distrust that great Council? Will not, then, the Federal Parliament take second place in the grading? I take it that the State Parliament will be the next in the scale, then the City Council, Borough Council, and Road Board in their order. Which of all these grades are most to be trusted? The highest, as a matter of course. Having a few to send to the Federal Parliament, is it not natural to select our most illustrious men; and will not all the States do the same? Is it to be doubted, then, that this community of best men will not aim at even a higher ideal in association? The tyranny of the majority does not apply in such a Council. We send a member to Parliament and he is but a unit in that Council. The position is identical, be it in New Zealand or in Australia. But in the higher Council the representative is more independent because of the wider extent of his constituency, and he is less likely to be influenced, or canvassed, as are our members of Parliament. Our characteristics are the same here as in Australia; we are the same blood. We are not marked, as at Home, by dialects. New-Zealander, Australian, and Tasmanian all speak alike, and the only difference I can see is that we in New Zealand are more provincial, the Australian more cosmopolitan, and it is this narrow provincial spirit that is doing so much damage to the most glorious cause ever promoted in the Southern Hemisphere, or likely to be. In the best interests of New Zealand, I urge it by all means to enter the Commonwealth on any terms of admission that may be asked.

1422. I understand from what you have already said that you are in favour of federation?—Yes.

1423. And you give as a reason that we should be associated with a larger number of people—that is one reason?—Yes.

1424. You also say that the manufacturers would be benefited, because they would have an increased number of customers?—An increased market.

1425. I understood you to say you were an accountant?—Yes.

1426. You have been present and have heard a lot of the evidence that has been given by the manufacturers here in Auckland?—I have.

1427. And there has been generally a consensus of opinion on their part that their manufactures would be injured by federation?—Yes, that is so.

1428. To whom should we pay more attention—to men who are engaged in manufacture, or to a professional man who is not engaged in trade?—My answer to that is that the persons who have come before your Commission are people who consider that they will suffer in their business, but I think that my travels through Australia enable me to see a great deal more ahead than some people.

1429. Whom do you think we should pay more attention to—those engaged in trade and manufacture, or the professional man who gives an opinion on trades and manufactures?—An onlooker at a game of cards knows how to play the game better than an individual player whose attention is concentrated on his own hand. In this sense the manufacturer thinks only of his own, and does not take the broader views.

1430. If the manufacturers are likely to benefit as much as you represent, how is it that they are not clamouring for federation?—My own idea is that decentralisation works a good deal in the matter. We have four large towns in New Zealand—Dunedin, Christchurch, Wellington, and Auckland. Take, for instance, the boot trade, which is really a languishing trade: They—the boot-manufacturers—have a great many factories in New Zealand, and they multiply in a greater ratio than if the business was centred in a place, say, like Melbourne.

1431. Well, on that score, would not a business in Melbourne have an advantage over these decentralised businesses?—Certainly.

1432. Well, how could the boot-manufacturers in New Zealand hope to compete against the larger concerns in Australia?—Unless they were assisted they could not compete, because on the principle of the greatest good to the greatest number the boot trade would have to go to, say, a place like Melbourne.

1433. Then, you admit that they would be prejudiced by federation?—Yes, but it is a languishing business.

1434. Do you feel competent to express an opinion on the woollen trade—as to how that would be affected?—I think you will find that New Zealand woollens find their way over the barriers and do business in Victoria.

1435. With one exception, the woollen-manufacturers who have been before us tell us that they cannot compete successfully with the Commonwealth?—On even terms the woollen trade must succeed, in my opinion.

1436. Have you considered how the agriculturists will be affected?—Yes; Sydney, as a free-trade port, has taken our goods, and will continue to take our goods. I had a transaction with Sydney in maize some time ago. At that time Sydney wanted maize, and it came from California also at the same price that we could put it in for from here. This could not happen under federation; New Zealand could supply the Commonwealth.

1437. What else could we supply them with?—Maize, potatoes, Nelson hops, &c. If we were within the charmed circle, California would have to pay the duty.

1438. You think our agriculturists could compete with Australia?—Yes, certainly.

1439. Is it not within your knowledge that Victoria is a large producer and exporter of agricultural produce pretty much the same as we produce?—Yes; she raises more wheat than we do.

1440. How about oats?—I do not know about oats. The Commonwealth is only in its infancy, and we have got all the growth of ages to consider.

1441. You think it is in the best interests of New Zealand to federate with Australia?—Yes, rather than get isolated.

1442. Do you believe in federation in preference to a reciprocal treaty?—I am a Free-trader, and, of course, welcome free-trade. Reciprocity is known to be impossible.

1443. *Mr. Millar.*] I think you said you believed in the greatest good to the greatest number?—I do.

1444. Do you think that the greatest good is going to accrue to the greatest number by federation?—Certainly.

1445. What constitutes the greatest number in this colony?—The workers.

1446. Can you show me any benefit the workers can derive?—Yes; they will have more work under federation—more opportunities for work of all descriptions. I think this Commission is wasting time. The time is past for getting in on even terms as an original State. It becomes a matter of business now since the 1st January, 1901.

1447. Could you come down to anything more definite, and state what particular class of workers of this colony you anticipate would receive a benefit from federation, putting aside all sentiment?—On a hard commercial basis we admit that the New Zealand worker is as good as the Australian worker. There is equality there, and with a larger sphere the New-Zealander would succeed.

1448. You state that the boot trade would go to Victoria?—No; I only cited that as an instance of a languishing trade.

1449. You said that concentration over there always hampered our trade over here?—Yes; better machinery and larger businesses.

1450. And bootmakers would have to go over there to get work?—Yes.

1451. That would mean the depopulation of New Zealand?—Yes, to a certain extent.

1452. That industry employs 4,600 men in the colony now?—Yes, in an unsuccessful trade.

1453. Do you think that New Zealand could compete with the large factories on the other side in the clothing trade?—As man for man?

1454. No; man for man, concentration, capital, machinery, and having a large population to work upon?—I regard the men as equal, and I regard the machinery and a large trade as giving advantages that cannot be obtained through a restricted output.

1455. You admit that in large centres of population such as Melbourne and Sydney there is ability to concentrate?—Yes.

1456. Labour must follow where work is?—Yes.

1457. That means the gradual drawing-away of our population to Australia?—It does not matter whether you are in the Federation or not, that must arise. Workers will go to the best market for their labour.

1458. But have not we to battle against that outside competition at the present time to enable us to carry on industries successfully?—I rather think it is the other way. I do not know whether they are successful or not.

1459. There are fifty thousand hands employed in the factories now, showing a steady increase since 1884: how would they be affected under federation?—Under federation we should increase the numbers, because we do not stand still under federation; we have a larger market. And we should not get any greater advantage by standing out of the Federation.

1460. These industries have a value which enables them to compete and employ those hands, and you yourself have admitted that by concentrating in the large centres on the other side these factories have an immediate advantage; but directly the barrier is taken down which protects these people here, the people in Australia will get the advantage, and how can you say federation will be an advantage to New Zealand?—Why should not some businesses come over here? Take the iron industry here: There are valuable deposits here and in New South Wales. There the facilities for manufacturing and the magnitude of these deposits have drawn a large ironmaster, I understand, from England, and he will employ, it is said, four thousand hands; and why should not we get our iron trade developed in the same way? I consider we should obtain an immense trade, and that therefore we have nothing to lose by federation.

1461. Is not what you state a still further proof that the tendency will be to concentrate all the large industries in those centres of population in Australia?—Not exactly, because they would be started here, as our deposits are quite as valuable as theirs.

1462. Do you not think that the men would drift away to where the work is?—Not from here, if our resources were developed.

1463. You do not think for one moment that that ironmaster who is starting in New South Wales is going there from any question of sentiment?—He is going to make a business.

1464. Is it not because he can manufacture cheaper there, and will have a larger market around his own doors?—He establishes his industry where he thinks he can make the greater profit. New Zealand had not declared herself, therefore he could not domicile here.

1465. You believe that the drawing-away of our population to these centres would be beneficial to New Zealand?—I say I consider that had New Zealand gone into this thing in a proper way she would have been the drawing-room of the Federal habitation, and for this reason: It is a jewel upon the earth; it is also highly productive, and the land here can produce enormously more per acre than Australia can. Railways are going to be made, and the question has been asked, How is New Zealand going to benefit by a trans-continental railway? Well, continental railways pay, and this railway must feed our railways; the wealthy will travel over this railway, and those with means will come to this beauty spot, and our tourist traffic will be largely increased; and therefore I consider we shall get all the benefits arising from joining the Federation.

1466. You say that for the sake of having these advantages New Zealand would be compensated for the loss of her independence?—I say, if we have a splendid country like this, and it cannot hold its own in regard to any particular industry, then the sooner that industry is closed up the better. I am a Free-trader. I might point out that the dairy industry did not exist as an export ten years ago in Victoria, and since then, under bonus, there has arisen a very large export in that item. And in the butter trade and cheese trade we have developed a very great industry, and, notwithstanding Victoria's production, these products are finding their way into Victoria. Then, take the kauri timber: We cannot use some of our timbers at all, because we have not got the population nor the people to trade with.

1467. But, as far as the kauri timber and gum are concerned, they have to be put on one side as not being permanent industries, have they not?—Yes; they must go. We are to make our best living out of the soil, and in that respect I consider that federation would benefit us.

1468. As we are only a young nation, is it possible for us to emulate Great Britain in the matter of free-trade?—Yes; not fence the country around.

1469. Was not Great Britain fenced around until such times as she developed her industries?—Yes; but if you look at the Press telegrams of a day or two ago you will see that Australasian exports are equal to those of Russia.

1470. Cannot our public men, or the men who are likely to go into public life, not be as broad-minded by simply remaining in New Zealand as by belonging to the Commonwealth?—Certainly not.

1471. Despite the fact that England, which is about the size of New Zealand, has produced some of the ablest men living?—That has been since they have had their extended policy.

1472. It has been a matter of development?—Certainly; but not by fencing a country around, and preventing its becoming a nation.

1473. Has not America become a great nation by being fenced around?—Yes; but look at its size, which is just what we want.

1474. When we have such an object-lesson, why do you advocate that we, who are but a young nation, should take this fence down and throw our markets open to the competition of the whole world?—I am not talking like that, because there are expenses to be met, and it will cost the Commonwealth about 3s. 6d. per head to meet them. As to the expenses of the Federal Government, here is what three eminent men, Messrs. Bruce Smith, French, and Dr. McLaurin, say: "The cost of the Federal Government will be something like £300,000."

1474A. One witness stated before this Commission that £600,000 will be the cost for this colony alone?—Mr. Bruce Smith, who is, to my knowledge, a man of figures, said it would cost £260,000, but, allowing for a margin, he put it up to £300,000.

1475. Have you thought of a Federal tariff of 10 or 15 per cent.?—It would be more than that.

1476. Mr. Lyne says from 10 to 15 per cent.?—12·2 is the percentage they fix on as necessary to obtain the seven millions.

1477. There will be probably 15 per cent. protection from the first, and it may increase later on, which will mean a considerable loss to this colony: how do you propose to make that revenue up?—You save on the State departments taken over.

1478. But it does not reduce the interest on our debts or public-works expenditure. Have you considered the matter from the point of view of a 15-per-cent. tariff?—No.

1479. Do you not think it is rather rash when they say the loss will be only £300,000? You think that unless federation is going to bring about the greatest good to the greatest number you would not federate?—Certainly not; but if it meant an exodus of the worker in languishing industries it will leave the farmer here.

1480. There are 30,000 farmers in New Zealand, and 50,000 persons engaged in manufacture?—Yes; but they depend on the farmers for the means of sustenance—the wealth-creators of New Zealand; see exports.

1481. But the workers consume all the farmers grow, do they not; and if the farmers lose the population they lose their best market?—I do not consider our population would go away under federation.

1482. *Hon. the Chairman.*] Is there anything you wish to add to the evidence you have given?—Yes; I would like to conclude the balance of my statement. But before that I would like to answer the question put to me with reference to what weight should be attached to my evidence as against that of a manufacturer in reference to manufactures. My answer is that the manufacturer is equal to his rival. Therefore, with machinery as good, he has the same market: the advantage lies at the home of the raw material. For instance, in an industry I, with others, have just established, having the raw material here, it is contemplated invading Australia, because this is the home of the raw material. Natural industries will stand; “hothouse plants” will not. It matters not whether we federate or not as regards the manufacturer. With the Commonwealth, like the United States, at our door no barrier will keep out certain goods, and the position must get worse and worse. It is common to apply the “starch method”—*i.e.*, selling to outside markets at and less than cost. Take, for instance, a tariff of 25 per cent. on boots—in other words, boots per invoice, 10s. to 12s. 6d.: Owing to the superior leather, machinery, and “method” mentioned, the local maker cannot compete, and the protection is ineffective. If such is the case, federation or no federation, it cannot live. It would be better, therefore, to be federated, and, in the sense of the greatest good to the greatest number, the number of half-crowns that the workers can save on boots will be a gain to them. I am the workers’ advocate. I believe in high wages because of the comfort of my fellow-man and of the increase in the workers’ numerical spending-power. It would be, however, against the worker for me to side with his straining capital beyond interest-earning power or a proper share of profits; depression must come to the worker and to the community as a result. Under federation the working-man is going to have a long and prosperous career, it matters not whether New Zealand joins or stands out. A nation has to be built up, and workers must build it. Depopulation must for a time result, and those remaining in New Zealand will be highly paid. Eventually this splendid colony will carry a vast population. The labour legislation originated in this colony is magnificent, and in gratitude many a worker will cast his vote against federation. But the worker, unlike the manufacturer and farmer, who are fixtures, is a Bohemian, and, as there will be probably a city built in which the Government expenditure alone, it is estimated, will amount to over £2,000,000, there is some work ahead for them. The Chinese-made furniture is a bogey, and will be a decreasing drop in the bucket. The Chinese will not increase; in any case, that is a matter that can be regulated. Queensland joined with its eyes open, and on the understanding that there should be no black blot, and the north voted stronger for federation than Brisbane; therefore the majority regard it more important to be in the Federation, even at the cost of the loss of the sugar industry. I think, therefore, it will be found that the sugar and tropical trade that cannot be worked without black people will be done amongst the black people at the islands. It is erroneous to think that Queensland relies on sugar in its northern districts. I have relatives further north than the sugar districts who have large herds of cattle, and droughts have only slightly interfered with them; bad markets have been far worse, and as population increases this difficulty will disappear. Queensland, further, has splendid prospects with regard to the merino, as it has been found, contrary to expectation, that in the hottest parts the wool retains its quality. Mining, too, is a great industry. Therefore Queensland, being about the richest State in the Commonwealth, can surrender its sugar industry, and in course of time the islands will do this trade. In this great combination, with the advantages of the progress of the world, in our time the Commonwealth will grow to the size and importance of America. As quickly will rise our navy. New Zealand, at a cost of one-seventh of the total, will necessarily have the best of the bargain in this important matter. Decentralised and insular, it will require as much attention as the four chief cities of four States, and these will supply nearly all the cost. Australia is continental, and in consequence a navy is less useful. That defence is a most serious matter may be judged seeing that Manila reposed for ages in blissful ignorance of danger. New Zealand isolated might find itself in a like position. Australia, like Britain, would do her best; but she, like Britain, may be, too, engaged with the enemy. It is now a matter of business, not of natural love and affection, seeing New Zealand has been so indolent over the most important matter of the century; and now that

a Commission is set up, the dominant partner, the producer, is little heard, but the manufacturers are welcomed in great numbers, and, admitting their inability to stand rivalry, yet boast an equality with men of the same blood; the bogey of a few Chinamen they set up as an excuse. Federation or no federation, there looms ahead a nation. How will they survive that? Industries bolstered with a high tariff serve their country ill, as proved in Victoria. It not only destroys revenue, but also does tenfold injury to the community; and, as an advocate of the greatest good to the greatest number, I say that heavy duties result in the reverse.

THURSDAY, 7TH MARCH, 1901.

ROBERT HALL examined. (No. 160.)

1483. *Hon. the Chairman.*] What are you?—A farmer.
1484. Living where?—One-tree Hill, near Auckland.
1485. How long have you resided in New Zealand?—Fifty-two years.
1486. Have you considered the question of New Zealand federating with Australia?—I have, but I hesitate about expressing an opinion on such a great question.
1487. What is the opinion that you hold, and what are your reasons for holding it?—Seeing that New Zealand did not enter the Federation in the first instance, and had nothing to do with the framing of the Bill, I think it would be wise to stand aloof for a time and see how it works in Australia. It may in the future be well to go in.
1488. Can you tell us any advantages that occur to you as would have been likely to accrue to New Zealand if she had entered as an original State?—I suppose it would have led immediately to a similarity of laws and a uniformity of tariff, which would be advantageous.
1489. How would it affect the agricultural interests?—Of course, what affects the producer affects the colony.
1490. Take the producers as a class: how would they be affected by federation?—I think, doubtfully. Surplus produce has to find a foreign market, and the markets in Australia are very limited. The values of the exports from New Zealand must be fixed by the values in other markets, chiefly London.
1491. Will there be any advantage to the manufacturer through federation?—There should be in the long-run, but it will be a hard fight for him.
1492. On the other hand, do any disadvantages occur to you as likely to arise through New Zealand federating?—Probably there are dangers looming in the distance. Some may say that the greater States of Australia may overshadow New Zealand, and that in the future the northern portions of the continent may be overrun by coloured people. These are matters which may raise difficulties in the future.
1493. Do you then anticipate trouble from the coloured labour?—I think it is probable in the remote future.
1494. Your opinion is that New Zealand ought to wait?—It would be wise to wait and see the developments in Australia, seeing that New Zealand stood out in the first instance.
1495. *Mr. Leys.*] You have had a good deal to do with local government?—Yes, I have had a fair share.
1496. Do you think the local administration could be so efficient with the heads of departments in Australia as with the heads of departments here?—It is very difficult to give an opinion. Certainly there is much need for local government throughout New Zealand.
1497. Do you find a difficulty in getting reforms even with the Government here?—Yes.
1498. How about if the Government were in Australia?—That is a problem.

JOHN BROWN examined. (No. 161.)

1499. *Hon. the Chairman.*] What are you?—Director of a good many companies carrying on various industries in this town.
1500. Have you been living here for long?—About thirty or forty years.
1501. Have you lived in Australia at all?—No. I have visited Australia frequently, and lived a month there at times.
1502. What is the nature of the industries you are connected with?—I am local chairman of the Kauri Timber Company, chairman of the Northern Milling Company, chairman of the Paper Milling Company, and managing director of the Direct Supply Company.
1503. Then, you have a large knowledge of the timber trade of this colony?—I have a fairly good knowledge.
1504. Will you tell the Commission your opinion as to how that trade would be affected by New Zealand federating with Australia?—I think that on the whole it would be affected beneficially if federation takes place, because we do an enormous trade with Australia now. Probably the timber industry is amongst the largest in New Zealand, and this province in particular exports large quantities of kauri to Melbourne, Sydney, and Adelaide, and there seems to be an idea in Australia that there will be a duty placed on timber very soon, for, I suppose, revenue purposes. We assume that because during the past six months immense quantities have been shipped over, and they are apparently filling their yards before the impost is put on kauri. I have conversed with timber merchants there, and, whilst there is no certainty in the matter, they still believe that that will take place.
1505. How will the paper-milling industry be affected?—If we had intercolonial free-trade I do not think it would be affected very much. If Australia or the Commonwealth threw open their ports to the trade of the whole of the world, and had no protective duties, it would have a very crushing effect, but with intercolonial free-trade I do not think it would materially affect us.

1506. How do you think the manufacturing industries in the colony would be affected generally by federation?—I do not think the effect would be so prejudicial as people believe, for, while Australia has larger manufactories than we have, ours will have opened to them a larger market of four million pushing and driving people, which would compensate for the other disadvantage to a large extent; and, while their manufactories are larger, still with up-to-date plant in any line here I think that we could compete with them, because, though our affairs are smaller, I have always looked upon the success of any industry as being due to the close supervision of the employer of the labour, and in New Zealand we have more supervision than there is in the larger industries of Australia. The wages question I consider is fairly well balanced, and I do not think it affects the question one way or the other.

1507. Do you think the manufacturing concerns of this colony will be able to successfully compete with the larger ones of Australia?—Of course, I consider that there are certain things that would have to be adjusted to the circumstances; but, against that, if the Australian people could bring their goods here and sell them at a lower rate it would benefit the whole of the people in New Zealand, while any special industries affected would deal with a comparatively small number.

1508. Have you any fear of the interests of New Zealand being overlooked through being so far away from the Federal Government?—No; I have that belief in the honour of the gentlemen of Australia to believe that we will be fairly and honourably dealt with, and that our distance from them would tend to give us that attention, because any injustice perpetrated would be so resisted by a compact colony like this that they could not long carry it on. The very fact of being twelve hundred miles away would be an argument in our favour.

1509. Are you in favour of federation?—Yes; but, as we have not joined as an original State, I would counsel, as a matter of prudence, that we wait the results in Australia.

1510. For how long?—It may be a considerable time. My own opinion is that New Zealand will not federate for a considerable number of years, but I believe that if we did federate it would lead to a great push forward in the prosperity and stability of New Zealand.

1511. But you counsel waiting in the meantime?—Yes.

1512. *Mr. Roberts.*] Do you think the flour-mills here would not suffer under federation?—I do not think we would. We have probably the largest mills in New Zealand. I know there is a fear among millers generally that the competition from Australia would affect us materially, but personally I do not think so. There is no reason why the Australian mills should do better than we can.

1514. We are told that the wheat in Australia gives better flour?—I think that is more an idea remaining from the olden days. I think now that we have got suitable mills that that is somewhat of a myth.

1515. You believe that Australian flour made from New Zealand wheat is as good as Australian flour made from Australian wheat?—That is my opinion.

1516. Have you exported paper from your paper-mills?—We have had no necessity to do so yet. We have only been running for twelve months, and up to date have sold all that we have made. It is a growing industry, and we are getting a fair share of the Province of Auckland trade.

1517. But to enable you to compete with the imported article you have to work twelve hours a day in your mill?—There is no necessity to work twelve hours. We work eight-hour shifts. Many mills run for the twenty-four hours a day, and, in all probability, in the near future we will work twenty-four.

1518. You are working twelve hours now because of the competition?—No; it would not pay to start and stop every eight hours. It would be more profitable to work all day and all night than to work eight or twelve hours.

1519. How long do you think it will be before New Zealand ceases to export kauri?—There are great differences of opinion on that question. My own estimate is that in twenty years' time kauri will be a scarce commodity. Kahikatea and rimu will, I think, ultimately take the place of kauri in the export trade.

1520. You believe that when kauri gives out rimu will come in and take its place?—Largely, yes.

1521. So that you look upon the timber-export trade as permanent?—Yes.

1522. *Mr. Beauchamp.*] What sort of paper do you manufacture?—Wrapping-paper mostly.

1523. To what extent is that protected?—£4 per ton.

1524. What effect would inter-State free-trade have on the industry?—I think we could hold our own with intercolonial free-trade, but we could not live with free-trade to the world. In the Federation we could compete fairly well with Australia; but let us become a nation like Britain, and throw our ports open to the world, and it would kill our industry.

1525. Supposing, instead of a duty of £4 a ton, the duty was reduced to £2, do you think you could still compete with the outside world?—I have not considered it like that, but it would make it somewhat difficult to compete, certainly. The Americans have a greater command of the raw material than we have, and I think it would militate greatly against our success.

1526. Would not there be greater abundance of the raw material in the large centres of Australia than in New Zealand?—Yes; but we can, if we choose, import the raw material at very nearly the same price. We do not do it, but we have tried to import, and find that we can do it.

1527. With regard to flour, is not flour cheaper in Australia than in New Zealand?—It is supposed to be cheaper, but really it could not be sold cheaper here on account of the freight.

1528. Do you know that, even with the present duty and transit-charges, a certain amount of Adelaide flour is being imported for mixing purposes by the bakers in this colony?—That will

always take place. They have fancies, but whether there is anything in them or not I cannot tell. I know there is no trouble in placing all the flour we make at prices very much above the imported article.

1529. You think it is prejudice only that compels bakers of small goods more particularly to import Adelaide flour?—I think it is fancy.

1530. Have you seen a test as to which would turn out the greatest amount of bread?—No. I have seen tests made of flour from different mills in the colony, with the result that Auckland flour proved the best in the colony.

1531. Federation, you say, would not benefit the timber trade?—Yes, it would.

1532. In what way?—I take it we would have a large influx of people here—commercial people, and people with push and go in them. In Australia I have noticed a woful ignorance as to the capabilities and resources of this colony. With federation they would know of our resources, and capital would come here and develop our resources.

1533. Does not that ignorance display an absence of interest by the Australians in New Zealand affairs?—True; but I take it the same thing occurred in the Home-country with regard to a small speck like New Zealand. Australia so overshadows us now by its size and capabilities that they do not take us into account at all; but I think if we became part and parcel of a great nation an influx of capital would take place.

1534. *Mr. Luke.*] How do the wages in the industries you are engaged in compare with those of Australia in the same lines?—So far as I know, they are very similar.

1535. Are the hours of labour more?—That I am not so sure about; but I take it, if federation takes place, there would be no backward move.

1536. You think the social conditions of the working-class in Australia are quite equal to those in New Zealand?—Outside the submerged lot you find in all towns, I think the working-men of Australia are in as good a condition as in New Zealand. Our distance by sea ought to keep us free from the substrata of undesirable people.

1537. You do not think the surplus manufactures would affect us here?—No; I think we have as good men as they have in Australia, and if we have capital to put up plant I have no reason to fear any undue competition except in certain lines.

1538. Supposing terms were arrived at with Australia, would you rather favour a reciprocal treaty instead of federation?—Yes; one of my main objects in thinking it would be better to wait is that of prudence. I do not like to go further than there is necessity to. What I am afraid of is that the Commonwealth may enter upon an absolute free-trade policy. That would be ruinous to us if federated, and I would like to see the move in that direction before I think it would be judicious to join.

1539. *Mr. Reid.*] What do you mean by absolute free-trade?—For instance, if they throw their ports open to the whole of the world without import duty.

1540. Of course, you are aware that there must be free-trade between the States of the Commonwealth?—Intercolonial free-trade, yes.

1541. Do you think there is any danger of having absolute free-trade with the world?—*Mr. Reid* and *Mr. Barton* are stumping the country now. One is a Free-trader and the other is a Protectionist, and it is not quite certain to which side the pendulum will swing.

1542. Is that the reason of the prudence that suggests itself to you why we should not enter at present?—I look at it from a business point of view. If I have an opportunity to sit and quietly watch I am a better-posted man, so long as I have an opportunity later on of joining.

1543. When these matters are settled you think New Zealand should attempt to join the Commonwealth?—Yes.

1544. Are you aware that it lies with the Federal Parliament to admit new States?—I have not gone through the Bill.

1545. It is a fact that the Parliament has the admitting of new States, and it is in the power of the Commonwealth to impose conditions on new States coming in?—We would have representation on the same conditions as to population as the other States have, and I take it that the class of men we would send would be on a par with the best men there.

1546. Do you think we should insist on entering if the conditions were unfavourable to New Zealand?—I have always taken a superficial view of the matter. If I thought there was a likelihood of our joining within a year or two I would make it my business to go into the matter.

1547. Do you not think it would be easier to get in now than after things get consolidated in the Commonwealth?—Yes; but at the same time you would have less idea as to how the cat was going to jump over there.

1548. You regard it as business prudence?—Yes.

1549. *Mr. Leys.*] Is there any timber in Australia that could replace our kauri and white-pine?—We had several Sydney timber merchants over here three months ago, and they were unanimous in declaring to me that they could to a large extent replace it. They have been able to acquire kauri and American timber for many years at so low a rate that they have not opened up large forests in North Queensland. I believe there are large forests there which, though not so good as kauri, would to a large extent replace it.

1560. You do not know whether it has come into the market yet?—Only on a comparatively small scale. One of the merchants told me he was putting up a plant to work it in view of a duty being put on kauri.

1561. Is it not the case that Victoria, though highly protected, admits our balk kauri in free?—Yes.

1562. Do you think it likely that the Commonwealth will be more protectionist than Victoria?—Yes. For the sake of the New Zealand workers we export as little as possible of balk timber. We run the mills and saw the timber, and employ hundreds and hundreds of men who would otherwise be idle.

1563. Do you send that timber into Victoria despite the tariff?—Yes, we do now; it is free just now.

1564. You do not seriously apprehend that the kauri-timber trade will be seriously affected by non-federation?—It will be seriously affected if they put a duty of 1s. 8d. a hundred on sawn timber.

1565. Do you think it probable, seeing the policy that has been adopted by Victoria, that such a duty will be imposed?—The very fact of the large quantity of extra timber that we have sent just now shows that they fear some action of that kind over there, and these timber merchants who were here said it would take place.

1566. You have had a good deal of experience of the furniture trade?—Yes.

1567. Have you come into contact with cheap Sydney furniture imported here?—Yes, a little. There are suites of chairs at prices cheaper than we could do them at, but in the ordinary lines of manufactured furniture we get next to nothing shipped from Australia.

1568. What is the extent of your present protection?—25 per cent.

1569. If that cheap furniture can be put in here with that protection, do you not think that under intercolonial free-trade large quantities of such furniture would come in?—Not unless eastern labour was employed; and I take it that with good appliances, and with timber on the spot, and with the knowledge we are now gaining in regard to manufacture, we would not be at all afraid about supplying Australia with considerable lines not made up.

1570. New South Wales is at present free-trade as far as furniture is concerned: have you ever exported to New South Wales?—We have never made any attempt. The demand has not been good, and it is a long way off to handle the furniture.

1571. Apart from the Chinese who may be employed in Australia in the making of furniture, would not the employment of large numbers of boys affect the trade?—Yes, quite true; but I am assuming that under federation the labour laws would be universal in Australia and here. With the present labour laws it would be impossible to compete with Australia, or unless the labour laws in Australia were put on an equal footing to ours. Then we could compete on fair terms successfully.

1572. But I mean meanwhile, is it not a fact that you are restrained in regard to conditions that they are not restrained in?—Yes.

1573. Is it not also true that, notwithstanding for many years an agitation in New South Wales in favour of getting certain labour laws, they have not succeeded yet in passing those labour laws?—They have been trying to get them lately.

1574. But they have not succeeded; and why do you assume that they will succeed immediately the Federal Government assumes control?—I take it that New Zealand workmen will never lose the lead they have got in respect to labour legislation and the conditions they now possess, and they would very soon imbue the Sydney workmen with the same ideas, and it would be a matter of a short time before labour laws similar to ours were passed.

1575. But are you not aware that they have had a larger number of labour representatives in the New South Wales Parliament than we have had in New Zealand, and still they have failed?—I think they have had, from what I hear; but I take it that, on the whole, they are more of a conservative community. I look at the matter also in this light: that, even if Australia can send its products to this colony at a cheaper rate than we can export them to there, we can also produce articles at a cheaper rate than they can; and in that respect the whole of the colonies would obtain the advantage of cheaper goods, whether it is a matter of flour or furniture, and whatever each colony can produce cheaply the other colonies would have to take, and so we shall have interchange of cheap products.

1576. But would you think it a benefit if such cheap products were the result of sweating?—I take it that sweating would become an impossibility.

1577. Would you think it desirable to bring our workers into competition with sweated labour?—No. I think the law would very soon prevent the possibility of sweating.

1578. But do you not think that there is a chance of our industries breaking down before these laws can be passed?—Federation might militate against them for a short time, but I do not think it would be for long. The great bulk of the Australian workers are on a par with our own, and it is only the "submerged tenth," that comparatively small number, that would affect the stability of our concerns here.

1579. But do you not think there is a greater difficulty in bringing such laws into operation where there is a large amount of surplus labour constantly pressing for employment?—Yes.

1580. Therefore in the large cities, like Sydney and Melbourne, even if they had those laws, would it not be very difficult to bring them into operation or to raise the standard?—Very likely.

1581. You spoke of the woful ignorance of New Zealand affairs in Australia: do you find the same ignorance prevailing with regard to Australian affairs? Would the people in Sydney know as little about Western Australia as they would know of New Zealand?—I think they did until circumstances changed to bring Western Australia prominently before both the Melbourne and Sydney people, and another thing is that I think the Melbourne and Sydney people migrate and change about very much more than they do in New Zealand.

1582. Would not they also know more about the people of Queensland?—I think they would.

1583. Do you not assume from that a community of interest between the people of Australia that does not exist between the Australians and the New-Zealanders?—They have really magnificent lines of steamers, and by-and-by that community of interest, if it is not a power now, will become a power in the case of Australia and New Zealand.

1584. Do you not think that in the large area in the north of Australia, which is common to Queensland and South Australia, they have a community of interest that can never exist between Australia and this colony?—I fail to see why under federation it would be so. I believe it would come very soon, although there is not a community of interest now.

1585. Do you not think the Federal Government will have to undertake the development of the northern part of Australia to a very large extent in the interests of all the Australian States?—Yes, I do.

1586. How can we share in any benefit arising from works that might be undertaken for that purpose?—We might not directly share in the trans-continental railway or in immense irrigation-works in Australia, but I take it that any honourable body of men such as are likely to be at the head of affairs would not spend our money on reproductive Australian works without giving us justice in some other way.

1587. Without being intentionally unjust to New Zealand, is there not a danger that in a Parliament where five-sixths have a common interest the one-sixth lying outside may suffer?—I believe if men like Mr. Seddon went over they would hold their own, and that after a while we should get gradually a great deal more than our share.

1588. With regard to Australian flour, have you had any personal experience of that?—No.

1589. When you expressed the opinion you do about the relative value of Australian and New Zealand flour, I suppose you would not set that opinion against the opinions of millers and merchants who have dealt in both articles?—I would not as a rule, but in this matter I am guided by the opinion obtained from the best source. My opinion is from a miller who ought to know, and does know, and therefore what I have got from that source I believe to be correct. I know that our southern millers in a body are against federation, because I believe they think it would hurt their trade.

1590. But if the whole of the southern millers were of one opinion, and your informant was of a different opinion, which would you be inclined to take?—My informant.

1591. Apart from the value of the flour, do you not think it is likely that Australian wheat would be brought into the North Island for milling purposes?—Of course, that would depend upon the price. I think we would give the New Zealand wheat the preference if we could obtain it as cheaply or cheaper than the Australian. It is simply a commercial transaction—taking it at a price that would warrant the transaction.

1592. Is it not the case that large quantities of Australian and Californian wheat were brought into this part of the colony before the duty was imposed?—At one time, I believe, large quantities of wheat were brought in here before a supply could be depended on from the South.

1593. Is it not also the case that, in spite of the duty, a considerable quantity of Californian wheat was brought down to the Northern Roller Mills?—Not lately, and not since my connection with it.

1594. But prior?—It might have been.

1595. *Hon. Major Steward.*] I think you stated you would prefer, under present circumstances, that New Zealand should wait and watch events before committing herself; and I understood you to say that your reason for waiting now was that you wished to see what would be the financial policy of the Federation?—Yes.

1596. I understand you would vote against federation if the fiscal policy developed into free-trade, and thereby admitting Australian products into New Zealand free, and enabling them to compete on equal terms with our produce; but if, on the other hand, there were only intercolonial free-trade, and protection as against the outside world, you think it would be to our benefit to go in?—I do think so.

1597. Supposing the tariff as fixed by the Commonwealth were less protective than the tariff that we now have in New Zealand—that there was a large deficit in the revenue required and now raised through indirect taxation, and it then became necessary to double or treble the land- and income-tax, would you think that under those circumstances it would be advantageous for us to go in?—If for revenue purposes taxes must be imposed, then I think their imposition should be on goods coming from abroad; that would, to a large extent, assist us in manufacturing here.

1598. I agree with you; but what would be done is this: Supposing the tariff of the Commonwealth brought in a sum less by, say, £700,000 or £800,000, as far as our share is concerned, of what we are raising now under our present tariff, and we had therefore to raise that amount by increasing the land- and income-tax, do you think then that your industry would benefit by our being in the Federation or not?—I would be quite prepared to risk any extra taxation, because I believe the benefits accruing from federation would far more than outweigh any possible disadvantage.

1599. *Hon. the Chairman.*] What timbers beyond jarrah and ironbark are imported into New Zealand from Australia?—I do not know that there are many other timbers, excepting the gums. I think ironbark and jarrah are the only two.

1600. Besides kauri, are not many of the New Zealand timbers largely used in Australia?—Yes; white-pine, and some of our fancy woods, and also some rimu.

1601. What fancy woods?—Totara, mottled kauri, and puriri; but that is a small amount.

1602. Does much Australian cedar come here?—We did import it for furniture-making, and sometimes for window-fixings and shop-fittings, but not to any very great extent.

1603. *Mr. Leys.*] You are largely concerned in the mining industry, are you not?—Yes.

1604. Do you think that would be affected one way or another by federation?—I am inclined to think, as the Australian people are a speculative people, that they might be inclined to help to develop some of our mines.

1605. Is there anything to prevent them doing that now?—I do not know that there is, excepting that they are not identified with us very closely.

1606. But they are just as near to us as to Western Australia—in fact, considerably nearer: would that not make a difference?—The attractions in Western Australia are greater than we can offer.

1607. Is it not the case that they have tried New Zealand mining, and some of them have burnt their fingers?—No doubt about it, very much so.

1608. And it has had rather a deterrent effect?—Yes.

1609. But generally, I suppose, you do not see that federation would have any great influence on the mining industry?—I do not.

ARTHUR GUYON PURCHAS examined. (No. 162.)

1610. *Hon. the Chairman.*] You are a doctor of medicine?—Yes; I am a member of the Royal College of Surgeons, England, and a clergyman of the Church of England.

1611. How long have you resided in New Zealand?—It is fifty-six years since I landed here.

1612. Have you considered the question of New Zealand federating with Australia?—I have considered it as carefully as I am able to.

1613. Have you studied the Commonwealth Bill?—I have.

1614. Are you in favour of New Zealand federating with Australia or not?—I am decidedly against it.

1615. Upon what grounds?—Upon grounds which will probably appear somewhat vague to members of a mercantile community. I have listened as carefully as I could to the several examinations which have gone on here, and my reasons against federating will be entirely different from the commercial arguments used against it. My lot in life was decided in the year 1833, when I was only twelve years of age. It was decided then that my work should be in New Zealand, and in order to fit me for that work, as at that time there was no idea of a colony, I on my father's suggestion learnt everything I could that was likely to make me useful out here, and therefore I have had a great deal to do with many things quite outside either the medical profession or my clerical work. I wish people to feel that my life has belonged to New Zealand, and that, although an Englishman by birth, I am a New-Zealander by choice. I believe that the Divine Father gives nations their dwelling-places and sets them their boundaries, by His Providence acting through human agency. The British nation, to which we belong and of which we form a part, has been streaming out into lands partly unoccupied in a wonderful way, taking root and filling the lands so rapidly that many territories are practically occupied by our people. Canada, Australia, and New Zealand are in a real sense the abodes of distinct branches of our nation, and now each of them enjoys the right of autonomous government under the sovereignty of the British Crown. Of these Canada only has any arbitrary boundary, each of the others being bounded by the sea. The physical conditions of each of these three territories are in many respects remarkably different, and cannot fail to impress upon their inhabitants traits of character which will lead to the development of clearly marked differences between them. The composite stock from which most of the inhabitants have sprung will have new differences introduced by the admixture of other elements derived from the people with whom they are brought into contact. The result of all these interacting forces will surely be the production of different types of our race, and in due time the Canadian, the Australian, and the New-Zealander will become as strongly marked in character as the Celt, the Saxon, and the Teuton. It is even likely that the common English tongue will undergo modifications which may lead to considerable diversities of speech. We can and do heartily rejoice in the union of the various colonies of British North America and Australia respectively into the two great States of the Dominion of Canada and the Commonwealth of Australia, each having its own Government, as integral parts of the world-wide Empire. We believe that a great and noble work lies before them, and we wish them the fullest success and the greatest glory in the accomplishment of their high destiny. But we also believe that a similar great and noble work has been intrusted to the people of New Zealand, and we rejoice that, although our territory is not of great extent, it is indeed a goodly heritage, and wonderfully furnished with the material things necessary to make it the abode of a free and happy people who shall in no way disgrace the fair fame of our forefathers. Our numbers are still small in comparison, but they are growing steadily from day to day :—

Up on the mountain's breezy side,
Down by the ocean's rolling tide,
Under the shade of the forest deep,
Out on the plains where the night-winds sleep,
Here and there, all over the land,
Gathers and grows our island band.

New Zealand is but young—barely sixty years old—but it is a vigorous and healthy offshoot from the old stock of our fatherland. Full and free self-government has been conferred upon us under the sovereignty of the British Throne. Under the glorious *Pax Britannica* we dwell securely, and are at liberty to do our share in building up the nation to whose charge this goodly country has been committed. We owe it, then, to all our people to do the work intrusted to us with brave and trusting hearts, not as time-servers or Mammon-worshippers, but as true “ patriots ” in the fullest sense of that high and holy word, loving our *patria*—our fatherland, our motherland—with a pure unselfish love. With this true love in our hearts we shall honour fatherhood and motherhood; we shall cherish brotherhood and sisterhood; we shall cultivate true manhood and womanhood; and childhood will be duly tended and trained. How, then, can we for a moment entertain the thought of giving up so great a trust? How can we be guilty of the baseness of betraying our country—of selling our birthright for any paltry selfish consideration? Our brothers in the Australian Confederation have done wisely and well in uniting under one great and powerful Government. Our fullest sympathy, our best and heartiest wishes, will ever be with them. Should occasion arise our sons will be ready to stand shoulder to shoulder with them, and, if need be, to die for them, as theirs and ours together have been doing for the relief of our fellow-citizens of the Empire in South Africa. We look for the fullest and freest intercourse with them in all good and lawful ways, as good and honest neighbours rejoicing in each other's prosperity, sympathizing in times of adversity, and ready to work together for the common good. But our spheres of duty are not the same. Our destinies are different. Our con-

ditions of life vary greatly. Continental and insular dwelling-places cannot be alike. Life in tropical regions must be unlike that which is natural in temperate latitudes. Nor can ethnical differences be ignored. In New Zealand we have a remnant of a highly intelligent, brave, and capable people who are fellow-citizens with us of the great British Empire, and have been admitted to the full privileges of that noble citizenship, and therefore have equal rights to defend and equal duties to fulfil. But we are free from the difficulties and dangers which have to be faced by the Commonwealth of Australia. Surely this consideration alone should be sufficient to cause us to maintain our insular freedom. I pass by all considerations of trade and commerce, and so-called widening of ideas and scope for lawful ambition, not because such considerations are to be despised, but because they ought not to be allowed to weigh against the far higher and nobler considerations I have thus all too feebly attempted to set forth. I am aware that I might have reasonably referred to the abundant material advantages with which New Zealand has been so wonderfully endowed; but they are becoming so well known to all intelligent students of the subject that I think further reference is unnecessary. I will only add that I trust our people would sooner die than give up one jot of the freedom that God's good providence has bestowed upon us. Our duty is clearly and certainly to hand on this sacred trust to our children for all generations to come. So mote it be.

GEORGE HENRY POWLEY examined. (No. 163.)

1616. *Hon. the Chairman.*] You are a manufacturer of clothing and shirts?—Yes.

1616A. Have you lived long in New Zealand?—All my life—fifty-three years, excepting seven years when I was in the navy.

1617. What is your opinion as to New Zealand federating with Australia?—I have not studied the question in its abstract form, because it has been only a new idea, and for the last nine months I have been away seeking a certain amount of pleasure. I have only thought about the matter as bearing on my own industry.

1618. As regards your own industry, you must have some opinion as to the effect of federation on it: what is your opinion?—In my opinion, federation with Australia would have a deterrent effect on many industries, particularly on my own.

1619. Why do you think that would be so?—In the first instance, we manufacture a considerable quantity of goods from New-Zealand-made tweeds and shirting; and none of these, to my knowledge, are sent out of the colony. I do not know that any manufactured article is sent out, but some of the raw material, in the way of tweeds, might find its way to Australian markets; if so, a very small quantity.

1620. Can you say what the effect would be on other industries besides your own?—I could not.

1621. Have you considered how it would affect the agricultural interest?—I believe it would affect it in some cases beneficially. In regard to export of oats and wheat it might prove beneficial.

1622. What is your opinion of the sentimental view as to New Zealand parting with its political independence?—I believe in the principle of New Zealand for the New-Zealanders. I believe we have to carry out our own destiny, and I feel that we are capable, as a young nation, of holding our own in this part of the English world in regard to the industries that pertain to the colony.

1623. You think that New Zealand is capable, as a country, of maintaining a large population?—I do.

1624. Do you think it would be better for New Zealand to endeavour to get a reciprocal treaty with Australia rather than to federate?—That possibly means an interchangeable tariff; but I am decidedly against federation, and will give my vote without any hesitation against it.

1625. *Mr. Millar.*] You have been considerably increasing your works lately, have you not?—I have been gradually doing so for the last fifteen years.

1626. Do you think that with federation there will be any possible chance of your finding a market for your output in Australia?—I do not think so; in face of the way the clothing trade is carried on in my particular industry in the Australian Colonies.

1627. *Mr. Beauchamp.*] What effect do you think intercolonial free-trade would have upon your particular industry?—I think it would have a very sorry effect on the clothing and wearing-apparel trade, more particularly for men and boys, on account of the way that industry is carried on in New South Wales, because clothing and other tweeds would be admitted to New Zealand from there to our serious detriment.

1628. That being so, it would throw a very large number of men and women out of employment?—I feel sure it would; or else it would mean a coming-down to the sweating process in respect to wages, which would be hardly compatible with our present conditions of existence and our past experience.

1629. To what extent are you protected under the present tariff?—The duties range from 10 to 25 per cent.

1630. So that if New Zealand federated, and the tariff under the Commonwealth were to range from only 12½ to 15 per cent., you would suffer in a double way—from the competition from outside the Commonwealth, and from the competition from the different States of the Commonwealth?—Yes; and also from America, and Continental and English markets.

1631. Is there any quantity of American-manufactured stuff coming into this colony now?—In the way of clothing, only to the extent of the one or two articles which are called “denims,” a species of cotton material. They are worn by all classes of mechanics, navvies, &c., and they are cheaper than the ordinary tweeds.

1632. *Mr. Leys.*] Can you tell us how many people are employed in clothing and shirt making in Auckland?—Between six and seven hundred.

1633. Do you think many of these would be thrown out of employment if intercolonial free-trade were in vogue?—I think so.

WILLIAM EDWARD LIPPIATT examined. (No. 164.)

1634. *Hon. the Chairman.*] What are you?—Nurseryman and fruit-grower, and the official representative of the Auckland Fruit-growers' Association.

1635. How many members are there in that association?—Four hundred.

1636. Have they considered the question of New Zealand federating with the Commonwealth of Australia?—Yes; it was considered at the conference. At that conference I read a paper which so met their ideas that they asked me to represent them.

1637. Did they come to any conclusion on the question of federation?—Yes; they were against federation.

1638. And they asked you to put their views before the Commission?—Yes; my views are set out in my paper.

1639. Will you kindly read it?—"The question of federation with the other Australasian Colonies is the most momentous question which this colony has yet had to face, and will probably have to be settled one way or the other at no distant date. Advocates of federation tell us there are numerous examples of successful Confederations, such as the United States of America, the Dominion of Canada, and the German Empire, but they do not give us any example of a country, occupying the peculiar geographical position of New Zealand, federating with distant neighbours across the sea. The different States which compose the Federations named above have boundaries which are coterminous, and they are separated by no natural barriers; whilst New Zealand, on the other hand, is completely isolated by twelve hundred miles of sea from the nearest of the Australian Colonies. Her position, indeed, is somewhat similar to that of the Sandwich Islands, which were recently annexed by the United States, and which it is proposed to admit into the American Union; but whether this will be a benefit to them remains to be seen. There cannot be the slightest doubt, however, that a federation of the five Australian Colonies forming the mainland, and probably Tasmania as well, would result in immense advantages to all; and, as this Confederation will have to be brought about sooner or later, it is surely better to effect it as soon as possible. The advantages are self-evident. The telegraph- and railway-lines of one colony pass into those of the other. Would it not be a great hindrance to intercolonial trade if the various colonies had a different railway-gauge, so that the rolling-stock of one colony could not pass into the other, thus causing the extra expense of transferring goods from one train to another? Then, again, a colony like Victoria, with a high tariff, has to watch not only its seaboard to prevent smuggling, but also the whole of an extensive land frontier. All goods from neighbouring colonies must be delayed, examined, and the duty collected. What vexatious delays must take place, and what unnecessary expense to the colony. With federation all this would disappear. Then, if there were federation in Australia, the Federal forces could be hurried in a day or two to any part of the continent threatened by a foe. The heaviest artillery could be moved in the same way, and these movements could be executed with more than twice the speed with which any naval force opposed to them could move from place to place. Australia would indeed rise from the position of a number of small colonies engaged in commercial warfare with one another to the dignity of a nation, and as such would have a larger voice in the affairs of the Empire. All this admits of no doubt; but when we come to New Zealand we surely find that the effects cannot be the same. We all know what an encouragement to commerce telegraphy has been—how business-men can through its means rapidly learn the state of distant markets and rapidly transact business. But New Zealand will derive no new gain from federation in this respect, as the cable rates to Australia will always be higher than the overland telegraph rates which Australia will enjoy. Then, again, how can we gain any railway advantages such as Australia would gain by federation; or what good will a Federal army be to us? If New Zealand were the point of attack, are we to suppose for a moment that troops would be sent over here from Australia? No, indeed. If the Federal army were divided amongst the various colonies our contingent would be isolated, would be able to do little by itself, and would probably not exceed our present Defence Force. As regards naval defence, we are likely to be better off without federation, for in any case the warships would be supplied by Great Britain; but with this difference: that without federation England would appoint the stations of the various warships, whilst with federation the Commonwealth would decide where the ships should be stationed. Now, since 71½ per cent. of our trade is with Great Britain, that country is far more likely to protect us than Australia is, with which our trade is inconsiderable. Uniform postage rates are a matter of arrangement, and can be arranged just as easily without federation as with it. It therefore appears that in the postal, telegraph, railway, military, and naval departments we have nothing to gain by federation. Federation, of course, means free-trade within the Australian Colonies, and when all Customs duties are removed we must expect to have a fall in the price of many articles; tradesmen, not being able to obtain the former prices, will give the producers less, and that means that the price of labour or wages must fall. The consumer therefore, although he will obtain many articles at a lower price, may find the gains more than balanced by a fall in his wages. Hitherto the various Australasian Colonies have given most attention to pastoral pursuits, and agriculture is but in its infancy. Thus, in New Zealand, out of ten and a half millions' worth of exports in 1898, over seven millions' worth consisted of animals and products of animals. Mineral products came next with one million's worth; then forest products with three-quarters of a million's worth; whilst agricultural products occupied a fourth place with four hundred thousand pounds' worth. In the future, however, this state of things must be considerably changed. Forest products will vanish from any important place, and as population becomes denser land will become more valuable, and will have to produce something more valuable than a sheep or two to the acre. This means that agriculture proper will gradually displace pastoral pursuits, not that the latter will entirely disappear, for large tracts of land in this country will never be fit for anything but sheep-grazing, but that all the suitable land now

given to grazing will in time be brought under agricultural crops. This tendency is already to be seen in the breaking-up of the large runs in the southern part of the colony. Now, if we look to Australia we shall see the same thing occurring there. In times past they quite ignored agriculture, and the climate encouraged them to do so. The greater part of New South Wales, much of Queensland, and the interior of Victoria are subject to periods of drought, which make agriculture so uncertain that we cannot wonder at its backward state. Seasons of drought which would not do any material harm to the flocks would destroy all agricultural crops. When farmers did put in a crop they spent the smallest amount of labour on the land, and seldom put any manure into the soil. They considered that it would be bad enough to lose their crops without losing the manure as well. Now they begin to perceive that the more perfectly the soil is worked the better it will retain its moisture, and that a good condition of the soil, with manuring, will give the crops a start which will enable them to stand the drought better. They have also found that the Murray River and its extensive tributaries, which traverses almost the whole of the drought-affected region, lends itself in an admirable manner to irrigation-works. The success which has attended these works at Mildura will doubtless stimulate agriculture, and make it one of the mainstays of Australia; and thus we will have a neighbour possessing immense areas of agricultural land, and producing every kind of crop found in tropical or temperate zones, and having probably cheaper labour than ourselves. We shall therefore find no market for our farm produce in Australia unless in seasons of drought, and are likely to have our markets glutted with Australian produce. Now, it will be well to consider in detail the climatic conditions and the adaptability of each of the Australian Colonies for fruit-culture, and to point out the effect which each is likely to exert on our fruit industry if federation be adopted. The immense Colony of Queensland—six times and a half the size of New Zealand—lies mainly within the torrid zone, and is capable of producing every description of tropical and sub-tropical fruit. The colony is not so subject to drought as other parts of Australia, and bananas, pineapples, oranges, lemons, and cocoanuts flourish luxuriantly, and are exported to this colony as a supplementary supply to the island fruit. Now, although we cannot locally produce most of this class of fruit, yet the importation into this colony of quantities of cheap tropical fruit must have a bad effect on the sale of our locally grown fruit, for a large section of the public is forced to buy the cheapest fruit without respect to the kind. Coming to New South Wales—three times the size of New Zealand—we find a country possessing a dry and warm temperate climate, subject to drought, which becomes worse the further we go into the interior, but capable of being extensively irrigated by means of the Murray and its tributaries. Parts of the coast lands, however, receive abundant rain. This colony is admirably suited to the production of oranges, lemons, apricots, tomatoes, and grapes, the latter flourishing in the open, and being cultivated in immense quantities in the southern part of the colony. Grapes are sold in the market as low as 1d. a pound, and under federation could easily be placed on the market here at 1d. to 3d. a pound—a price which would sweep out of existence the local production of grapes, to say nothing of the probable wholesale introduction of the dreaded phylloxera. We should not be able to keep Australian grapes out on the ground of Australia being an infected district, for Australia would doubtless urge that phylloxera had already appeared in parts of New Zealand, and would further insist that fumigation would be sufficient to meet the case. But it certainly would not, for the egg stage through which phylloxera passes could not be destroyed by prussic-acid gas, or by any other fumigating agent which would not at the same time destroy the grapes. Here, then, is a danger which threatens the very existence of one of our rising industries. Passing to Victoria, which is about equal in size to New Zealand, we find a climate more suited for the ordinary English varieties of fruit, and not much affected by drought, except in the northern districts, where irrigation might be practised with advantage. The soil is very fertile and capable of producing all the ordinary fruit, such as apples, pears, peaches, plums, cherries, tomatoes, &c. The portions adjoining New South Wales also grow vines extensively, and manufacture wine. Victoria, therefore, would be in the field in competition with our common-fruit crops. South Australia—nine times the size of New Zealand—possesses a fine climate and a large area of level and fertile land in the southern portion of the colony. The country is also free from the drought which affects the rest of the eastern colonies, and is capable of producing the common English fruits as well as the vine. Large areas are so level that agriculture is carried on with the smallest expense possible, and the natural fertility of the soil produces abundant crops. Western Australia—nearly ten times the size of New Zealand—is at present a very slightly developed colony. Much of the interior is a barren desert, but a large area in the south-western corner receives abundant monsoonal rains, and is capable of producing all the common English fruit. The railway running eastward from Perth to Coolgardie will some day be connected with the trunk line joining Brisbane, Sydney, Melbourne, and Adelaide, and then West Australian produce will easily be poured into the eastern colonies, or through them into New Zealand. Last of all, Tasmania is strikingly like New Zealand, both as regards climate and the surface of the country, and is capable of producing exactly the same products. Tasmanian apples are well known, and the Tasmanian growers have shown considerable enterprise in opening up a market in London for their produce. We see, therefore, that Australia can equally well produce any fruit which will grow in this country, and, owing to her larger population and immensely greater area of good land, she can produce them in such quantity as would swamp our markets. The time taken now by the fast steamers is so short that even the most perishable fruit can be sent from Sydney, Melbourne, or Hobart in shorter time and at less freight than fruit can be sent from Auckland to Dunedin. Furthermore, local fruit-growers can derive no consolation from the hope that they will obtain good prices for early fruit, for, owing to the drier climate of Australia and the higher temperature which large land masses always attain, fruit ripens in Australia about a month earlier than here. A reference to the market reports will show that by the 1st December the Sydney and Melbourne fruit-markets are stocked, and when prices fall there the surplus fruit is being exported here, and during the whole of December every steamer from Australia is bringing thousands of

cases of fruit, and this in spite of the present duty. Under these circumstances, if federation came to pass, the duty would be removed, and this would have the twofold effect of encouraging an increase in the quantity sent, together with a fall in the price, so that the result would be disastrous to our local fruit trade. That this is not mere speculation can be seen by an examination of the quantities of fruit exported from Australia to New Zealand in 1898. Thus, of dried fruits paying 2d. a pound duty, over 1,000,000 lb. weight was sent here; of fresh fruit paying 1d. a pound duty, 750,000 lb. weight; of fresh fruit paying $\frac{1}{2}$ d. a pound duty, nearly 750,000 lb. weight; and of free fruit, 5,000,000 lb. weight. Furthermore, this importation of fruit from Australia has been increasing in spite of the duty at an alarming rate, for in 1893 the total quantity of fruit of all kinds imported from Australia and the islands was 8,000,000 lb. weight; whereas in 1898 it was 21,500,000 lb. weight, of which certain colonies, in round numbers, contributed the following:—

	Lb.
New South Wales—	
Apples and pears	378,000
Apricots, plums, and other stone-fruit	271,000
Other fruits	2,750,000
Lemons	270,000
Victoria—	
Apples, pears, plums	230,000
Lemons	90,000
Other fruits	1,100,000
Tasmania—	
Apples	450,000
Other fruits	160,000
Dried fruits from all the colonies	1,060,000
Fruit from the islands	9,000,000

The New Zealand fruit industry has its main centre in the Auckland Provincial District, and it is here, therefore, that federation would do the fruit industry the most harm. The returns for 1898 show 22,600 acres in orchard and 350 acres of vineyard, and of this total Auckland possesses nearly all the vineyards and 9,500 acres of the orchard, which is not far short of one-half of the total. Wellington has 3,800 acres; Canterbury, 2,700; Otago, 2,300; Nelson, 1,800; Hawke's Bay, 1,200; and the other districts only an insignificant amount. Not only is the largest quantity of local fruit produced in the Auckland District, but we must remember that Auckland is the nearest New Zealand port for the tropical fruit of Queensland and of the islands of the Pacific, and that, if Onehunga Harbour be ever improved for large steamers, then Auckland will also be the nearest New Zealand port to Sydney, the principal Federal port, with its oranges, lemons, tomatoes, apricots, and grapes. Fruit is therefore likely to be poured from all sides into Auckland, and the market glutted, to the great loss of the local growers. The question of federation is therefore a most momentous one for us, and, if accomplished, is likely to sweep many young and rising industries (such as vine-culture) out of existence. We had better pause and reflect before we take a step from which there is no receding. A federation of Australia alone can hardly do us any harm. New South Wales is the only colony which has not already a protective tariff against us, and the Confederation is not likely to increase the tariff against us just for spite. Our main trade is with the Old Country, which takes $71\frac{1}{2}$ per cent. of our total trade, and is likely to continue to be our chief market for a long time to come. In times of drought Australia will have to take our produce, and at such times she would see the folly of a high tariff against New Zealand produce, for if we got less for our goods her consumers would pay a higher price for the article, and therefore Australia would do herself as much injury as us. It is hard to see how we can suffer any injury by being left out of the Australian Federation, and if we should see a clear gain by joining the Federation, then we know that a provision has been made for our doing so at any time. It is all nonsense to say that because we do not join as an original State, therefore we will not join on as good terms. We ought, therefore, to pursue a policy of observant waiting—noting the effect of a federation of the other States upon our interests—making a treaty of reciprocity with Australia, or having preferential duties, or, if we see a clear course, federating. Let our motto be '*Festina lente*'—that is, 'Hasten slowly'—for we cannot go back if once we take the step."

1640. You are against federation?—Yes; and the association think that federation would be most detrimental to the trade of the province. It would crush it out of existence.

1641. *Mr. Beauchamp.*] Where did you get the figures that $71\frac{1}{2}$ per cent. of our total trade is done with Great Britain?—From the "New Zealand Official Year-book" for 1899, page 267.

1642. From the figures we got down South it appeared that 7 or 8 per cent. went to Australia and the rest went to England. You said we could not produce on equal terms with Australian fruit?—The industry here is in its infancy, but now a great impetus has been given. In Waerangi they are growing fine grapes on the poorest land in the colony, a result attained by scientific spraying, which, if generally adopted, will make viticulture one of the most important industries in the colony.

1643. Have you had experience of fruit-growing?—Yes, ever since I was a boy.

1644. In which country?—In New Zealand.

1645. You have had no experience in other countries?—No.

1646. Then, you do not know whether the fruit grown here compares favourably with the fruit grown in California?—I consider the apples grown here are equal to any which I have seen imported from California.

1647. You would advise us to wait and see the result of the experiment in the Commonwealth before we go in?—Certainly.

1648. *Hon. Mr. Bowen.*] It has been noticed that, though lemons grow easily here, the south has been dependent for the most part on imported lemons: how is that?—I think that has been

the case, but it is not likely to continue for long. Even in my district alone there are 30 acres of lemons coming into bearing this year, and the estimated crop is a thousand cases.

1649. You think there will be cheap freights for bringing them down?—Hitherto the Union Company have charged lower freights from Sydney to Dunedin than from Auckland to Dunedin, but soon we will be shipping thousands of cases from here. The whole of the land of the north is suited for lemon-growing.

1650. I understand from you that there is likely to be a considerable increase in fruit-growing?—Yes, in the near future.

WILLIAM FRANCIS BUCKLAND examined. (No. 165.)

1651. *Hon. the Chairman.*] What are you?—A solicitor, practising at Cambridge.

1652. How long have you lived in New Zealand?—I was born in New Zealand.

1653. You were a member of the House of Representatives?—Yes, for six years.

1654. Will you give the Commission your views on the question of New Zealand federating with the Commonwealth of Australia?—Yes. I may say I represent the Waikato Farmers' Association. They number something like four hundred of the leading farmers in the district.

1655. Have they met for the purpose of considering this question?—They met at a large meeting and the matter was discussed, and I was appointed delegate to come here and express their views.

1656. Do your views coincide with theirs?—Yes; nineteen out of every twenty of the Farmers' Club are very strong Federationists.

1657. Very well, will you give us the grounds on which they support that view?—They look at it in the light that the agricultural interest is out and away the largest in New Zealand. The manufactures of New Zealand are all more or less in infancy and spoon-fed. The way that we look on the industries is rather due to the way the industries look on this question, and from considering their evidence I consider there is not a single industry in the colony that could exist if it were not very largely State-aided. No industry could exist if two or three more of the same magnitude arose. It is quite evident that if we have our supply doubled we have our fruit trade ruined, unless we have at the same time our population doubled. I may say that, though a solicitor, I have gone in for fruit-growing, and we are taking every opportunity of sending fruit down to Wellington, and doing the fruit-growers there out of all the early sixpences we can. It seems that the fruit-growers seek to shut out the island fruit, which is an excessive example of the dog-in-the-manger business. The agriculturist never minds how many of his neighbours run a few hundred sheep or cattle. He is never alarmed in that way; and we think that there is great danger before the colony if we do not join the Federation as soon as possible. It is only in human nature that if we hang back for four or five years the Australian Colonies will drive hard terms with us. There is no need thinking we are going to have reciprocal tariffs. Unless we are prepared to go forward and take share and share alike, I think we will find they are quite human beings enough to take advantage of the situation, and inflict certain terms on us that we will not like. Apart from that, we think that for two great reasons we should federate. In the first place, we should federate for the protection of various industries that some think will be ruined if we do federate. We think, at the rate we are going here, that the time will arrive when it will be almost a criminal act for any one to interfere with the single earnings of any one in New Zealand. If we start putting our skilled artisan against the whole of the world we must go to the wall at once. The Australians will say they are not going to allow our goods to go in there free unless we allow theirs to come in here free. If we federate we have a slight chance of fighting that question, because we will become part of a great nation out here; and in any case we would have intercolonial free-trade with ourselves, and in any trouble we would have a larger market, and I am never prepared to admit that we are not fit to take our part with any other nation on the face of the earth. I do not believe that Australia would overrun us or disturb us in any way. I believe we would hold our own in every respect, and we need not be afraid of the Australian produce. England is practically the only outside market, and once that market is closed we are nothing—merely a speck on the ocean. We have not got the population to eat one-hundredth part of what we grow. It is to protect that and to get the largest possible market that we are anxious for federation. The other great question is the question of a foreign foe. If we stand out I think, myself, that the time will come when such an attack will take place, and we must be open to it. If we belonged to the great Australian Commonwealth we would certainly gain the sympathy of the great Mother-country in joining, and we would gain the sympathy of the Commonwealth and have the whole of their men to fight for us. There is no use telling me that the armies would be split up and there would be no one to help us. Touch one of us, and you touch the lot. I feel that in the matter of defence alone it is absolutely necessary we should join. If we do that we become part of a great Power, and no foreign nation would come down and attack us. If we do not join and we are by ourselves they might make an attempt on us, and Australia would not come over to help us. Exception has been taken to the Civil Service, but I believe that instead of the Civil Service being weakened it would be vastly improved on what we have now, on account of its being conducted from outside of each colony. Promotion then would be by merit only, and everybody would have some hope. A man then would not belong to the Civil Service of New Zealand, but to the Civil Service of the Federal Empire.

1658. *Hon. Captain Russell.*] What do you mean by the Federal Empire?—I mean the Commonwealth. If we all join together we would form a strong power here, which would increase as time goes on. We think that federation would strengthen our chances of forming our industries on sound bases. They are at present at the beck and call of the New Zealand tariff. Industries must not think they are grounded on the high tariffs; they are dependent year by year on the New Zealand Legislature. If we were part of the Commonwealth we would have our manufac-

turers competing with Australia, and it would enlarge their views and improve them very much. We also feel very much in regard to the fish industry. We feel that New Zealand waters abound in fish, and that we could do a very large trade in fish with Australia, for Australia is very deficient in fish; but if we started the industry and did not join the Federation they would put on a high tariff and prevent us. We think, also, that if we admitted wine in free it would have a very beneficial effect upon the people of this colony. I think that every country is intended by nature to grow that thing that is best suited for it, and if federation is going to ruin the hothouse growing of grapes, then the hothouse-grape trade must go. In growing oranges here we must not hope to compete with Sydney oranges or the islands. They are not the same orange, neither are the lemons the same.

1659. *Hon. the Chairman.*] What do we produce that Australia does not produce in agricultural produce?—I reckon our soil is richer than theirs, and we can grow more to the acre. I think we could send over oats there sometimes but for the duty.

1660. Do you think we could oust the Australian oats?—I think we could get rid of some there just now.

1661. For home consumption or for transhipment?—I think, for home consumption a good deal.

1662. As a politician and a member of the Legislature you have probably taken some interest in the colonial tariffs: what do you imagine the Federal tariff will be?—I imagine it will be a moderately protective tariff.

1663. That being so, how would it affect the finances of this colony?—I think the finances of the colony would come out right. I am a Free-trader, and I think we support a great many industries for which we may as well hand the money to the Government in the way of direct taxation.

1664. If the Commonwealth modified the tariff, would not the revenue of this colony be lessened very considerably?—The tariff would probably be more on tobacco and luxuries; but I think it might be lessened to the extent of £200,000.

1665. We have had evidence of a loss of £168,000: have you considered that?—Yes, I have considered sugar. We would gain an advantage indirectly.

1666. You referred to the Civil Service: you are aware that the Federal Government have already taken over the Post and Telegraph Department?—Yes.

1667. You are aware also that, after considerable difficulty and delay, the Post and Telegraph Department was classified in New Zealand?—Yes.

1668. Whatever advantage will accrue from that classification would be lost to New Zealand under federation, would it not?—No, I do not think so. There would be classification in Australia too. It would come, most certainly, if desirable.

1669. Do you look forward to Imperial federation?—I do.

1670. Do you think there is any chance of a Federal republic being formed in the Commonwealth of Australia?—As against England altogether?

1671. An independent republic?—I think at any moment a turn may alter everything, and we may be thrown on our own resources.

1672. Then, if it is possible that an Australian republic may be formed in the Commonwealth of Australia, do you think Australia would contemplate with equanimity New Zealand forming part of the republic?—Yes; we would be the pleasure-ground of that republic.

1673. *Hon. Captain Russell.*] On the question of defence, you think it is essential that New Zealand should federate?—I think it is almost absolutely essential.

1674. So long as New Zealand remains part of the British Empire, will not her main defence be by sea rather than by land?—The defence of both Australia and New Zealand would be almost absolutely by sea.

1675. So long as New Zealand remains part of the British Empire, would not her naval defence be as strong, whether we federated or not?—Only so long as the navy was strong.

1676. Do you contemplate England losing her maritime supremacy?—I do.

1677. How do you contemplate sending troops from Australia to New Zealand and from New Zealand to Australia?—By our own navy. I think we may have a navy out here that would avoid the disaster that might come to the British navy at any time.

1678. You think that the British navy may be destroyed, but that we may have one that might withstand?—I think they may be in a tight corner and not be able to spare any ships for us, and therefore we should have our own.

1679. Have you read up naval strategy at all?—No.

1680. You realise that the defence would take place on sea and near the centres?—I realise that history says that the time must come when England's power must fail.

1681. For practical purposes you do not see any immediate signs of it?—Yes; I think it would take very little of the application of our system of dealing with internal troubles to create dislocation of the Empire.

1682. You think that in case of the separation of Australia from the Empire it would be to New Zealand's advantage to join Australia?—I think that Australia will not be separated from the Empire, except on conditions that will make it imperative on New Zealand also to disjoin herself. I am thoroughly loyal; I wish you to understand that.

1683. If it was possible for a foreign Power to land ten thousand men in New Zealand, do you think they could do any permanent damage?—I think we could manage ten thousand. I would not be afraid of twenty thousand, but I am afraid of their coming here and shelling our ports.

1684. And you think that under federation we would be able to defend our ports?—Yes.

1685. You seem to anticipate, apparently, some probability of England abandoning her policy of free-trade and excluding our raw products?—Yes; I think that is possible within the next twenty years.

1686. On what do you base that supposition?—On the growth of parties, and especially the Labour party, in England.

1687. Would you describe England as a manufacturing or producing country?—Manufacturing.

1688. Do you think a manufacturing country could exclude raw products?—I think they would do any foolish thing that they think would benefit them.

1689. *Hon. Mr. Bowen.*] Do you not think that, if England gave up her free-trade policy, the chances are that it would be for the purpose of entering into preferential tariff treaties for the benefit of the British Empire?—If the British Empire was standing it would.

1690. You seem to base your views on the collapse of the Empire?—I base my views on what I see going on in the world.

1691. You were asked by Captain Russell whether you thought we would be obliged to follow the Commonwealth if she disassociated herself from England?—Yes, or be annexed by some country.

1692. All on the assumption that the British Empire collapsed?—Yes.

1693. *Mr. Millar.*] Do you think, in the event of such a thing taking place as you anticipate is possible, if a Power was able to conquer England it would not very soon make short work of England's dependencies?—I think it is very likely, but I do not say that England need be conquered. All a Power need do would be to keep Britain's fleet engaged near home, and then send a roving fleet out here.

1694. Would not the present arrangement to keep so many of the fleet here still exist?—Supposing England could not carry it out, there would be an end of it.

1695. Do you think that England would withdraw its men-of-war from New Zealand?—Not unless under great stress.

1696. How many years do you anticipate it would be before Australia had a navy of her own that would be any protection?—I think that the first navy the Commonwealth provides will be a very fair navy.

1697. Which, in your opinion, is the best market for the farmer—his domestic market or his export market?—The export is the best we have got now, because if it were not for the export all produce would be half the price.

1698. Assuming that all your produce went to England, would that make any difference in the value?—It would make no difference, because England can take a great deal more than we can send now.

1699. How is it you see from time to time the price of meat falling owing to the values in the London market? Is not the domestic market better for our produce?—For part of our produce, but not for the main staple products.

1700. Do you not think that the larger the population you get here, and the more you make yourselves self-contained, the better it is from a national point of view for this colony?—Certainly, supposing you could get the different manufactures on something like a sounder basis than they are now.

1701. But you know that it takes a little time to work up any industry?—I know it does; but unfortunately the people do not assist each other as they ought to, because they will buy in the cheapest market instead of encouraging local industry.

1702. Do not some political economists always advocate buying in the cheapest market?—The Auckland people do, anyhow.

1703. *Mr. Beauchamp.*] With the object-lessons we have had in South Africa during the last eighteen months, do you think, in the event of any foreign nation being able to elude the vigilance of the British navy, that foreign cruisers could land a sufficient force in Australia and New Zealand to enable that nation to occupy either of those countries?—Supposing, of course, that our fleet was beaten?

1704. Yes?—I think we were very lucky in getting our troops landed in South Africa. If we had had to fight a people that had a navy it might have been different, but in that case they had not one seaport, or one man-of-war on the ocean. Had they had one ship on the ocean there might have been a terrible disaster to our troopships. With one ship about it is exceedingly difficult to send a large army across the seas.

1705. With the fleet that England is likely to maintain during the next few years, do you think it is possible that any foreign Power could send out a sufficient number of men to Australia and New Zealand to be able to succeed in effecting, and maintaining, a landing?—I think we may yet have to make greater sacrifices on account of the fleet.

1706. But, assuming that that nation succeeded in landing her men in Australia or New Zealand, do you think we would be conquered?—I think they would be a long time doing it, but we would have to be well prepared for them.

1707. Do you not think that we in New Zealand are in a better position to defend our country than the Transvaal was?—I do not think so for a moment. They had been arming for years and years, and here we have not got enough arms.

1708. But have not we a much larger number of able-bodied men?—We have not got sufficient arms and ammunition.

1709. Are not we improving our Volunteer Force?—You are, very slowly.

1710. Have you considered the financial aspect of federation?—Yes. I consider the Federal Government would probably stick to the whole of what they are allowed to, and hand us back the balance. I also believe we shall only thoroughly understand our position when we do get our balance back, but we do not understand it now.

1711. What amount do you reckon that to be?—It is 25 per cent. under the Act. I reckon that they will want 25 per cent. for general purposes.

1712. Do you think that £500,000 would be an exaggerated estimate?—If I were managing the Commonwealth I would take all I could get for that purpose.

1713. Supposing they took £500,000 per annum, what effect would it have on the colony in regard to making up that amount?—It does away with your surplus.

1714. Do you consider it right to take that surplus?—It is there only in name now. I am afraid that in doing away with the surplus you are doing away with your finance; but we ought to understand our position, and that is a thing we do not understand yet.

1715. Would you advise our accepting the Act in its present form?—I advise you to go in for the advantages you will get from it.

1716. What is your opinion as to the exclusion of the Maori vote from the count under clause 25 of the Act?—I think we have excluded that race before. We have not allowed Maoris to vote for white men, and if we had allowed them to vote in the past for white men they would have been allowed to vote under the Commonwealth Act. We have not counted them in our own census as Europeans.

1717. Have not we improved the status of the Maori during the last few years?—Only with reference to representation.

1718. Also with respect to the female population, I suppose you notice that the total number of votes is divided by two where women's votes are recorded?—I did not notice that there was any difference in that respect.

1719. Would you consider that equitable?—I think, as far as that goes, we ought to include aliens, where naturalised, in counting voters.

1720. That is so; but where women's votes are recorded and women are enfranchised the total number of votes is reduced by two: would you regard that as a serious blot upon the Constitution?—I should regard it as a blot which ought to be removed afterwards, but I do not think it would be sufficient to stop us going in.

1721. As to appointments to the Civil Service, do you think that the youth of this colony would have as good an opportunity of obtaining positions in the Federal Civil Service at this distance as the youth of Australia, through being able to bring influence to bear on their local politicians?—Yes; I think that those who deserved it would, but probably the favoured ones would have the best of it at the start. I think the meritorious ones would win in the end, and that friendship would not be allowed to count.

1722. With intercolonial free-trade, have you considered the effect on the sugar industry in Fiji?—I can see the effect it will have on the sugar industry in respect to labour in Queensland.

1723. With inter-State free-trade it is to be assumed that we would get the whole of our sugar from Queensland, is it not?—No doubt.

1724. Do you not think that that would have a very bad effect on the Fiji trade?—It would be a case of live and let live. The effect on Fiji might be serious; but at the same time they would have to put up with it, and therefore I do not think we ought to consider that effect, having in view the larger one of the advantages of federation.

1725. You would be prepared to sacrifice Fiji for the benefits of federation generally?—It is something like patriotism. It is sweet for one to die for his country, and in this case we ought to consider the general good of the whole.

1726. *Mr. Luke.*] Are you aware of the number of persons engaged in the manufacturing industries in New Zealand, because you seem to attach no importance to the manufacturing industries?—You are starting on a wrong assumption. I attach the greatest importance to the manufacturing industries, but I said that the sooner they were placed on a basis of being only partly helped by protection it would be better for them, and they would become stronger.

1727. Do you think it is possible in a small country like this to specialise as they do in the large centres of Australia?—I think the probability is that you would rise to the occasion and establish manufactures in other countries.

1728. Do you think there would be inducement?—What is the inducement now to specialise?

1729. Practically the local demand we have without the interference of outside operators. Do you think that the local feeling is in favour of a local-made article as against an outside article?—I think that with a certain section of the community there is that feeling, but in some there is only one feeling, and that is "cash."

1730. Have you thought of the social conditions of the workers in Australia as compared with the conditions of the workers in this colony?—I have been in Australia, and the conditions seem to me to be about the same.

1731. Do you think the wages and hours of labour are about the same?—Wages are entirely dependent on the amount of protection you have. Where you have protection you have high wages.

1732. You do not fear any serious consequences as the result of federation from the infinitely larger concerns of Australia as compared with those of New Zealand?—I believe New Zealand would benefit both in regard to her workmen and employers.

1733. *Mr. Leys.*] You seem to lay very little stress on the value of the home market: can your farmers at present supply the Auckland market with meat entirely?—I do not think they could, perhaps, sending a lot away like they do.

1734. Do they export a large amount of frozen mutton from Auckland?—A good many lambs, some mutton, and a lot of beef.

1735. Is it not the case now that there is still a large room in the Auckland District for the production of meat for the Auckland market?—It is not that we export it, but other districts do. Napier and Taranaki and the West Coast do a very large amount of export, and they have also been sending their stock up here.

1736. But do we not get it from the West Coast always by sea?—Not to anything like the extent we did, because the freezing-works monopolize the production. It is impossible to stop them from doing so.

1737. Who is it that consumes that meat unless it is the manufacturing population of Auckland?—They are not all manufacturers. There are a lot of other people who are not manufacturers who also consume some of it.

1738. What do you suppose the population of Auckland would be if it were not for its manufacturing industries?—Probably only half what it is.

1739. Assuming that it shrank to one-half, where would your market be?—Half of it would be here, and the other half we would have to look for elsewhere.

1740. You have had a free-trade market in New South Wales for some years, have you not?—Practically free-trade.

1741. Have you any idea of what the export of grain to New South Wales has been?—Yes; it is a very heavy sum, I think. I think we do a trade with Australia of about a million and a half.

1742. But from this district?—£60,000 perhaps would cover it.

1743. Would you be surprised to learn that the value of the whole amount, excluding wool and tallow, sent away in 1899 from Auckland in the shape of animals, produce, and agricultural products was only £46,900?—No.

1744. And of that sum £24,500 consisted of maize?—I was aware that we were sending a lot of maize, and I remember the time when Sydney sent maize here. At that time maize was 6s. a bushel, and we were not growing it, but now we can send it at 2s. and make money out of it.

1745. Can you conceive that, under any system of tariffs the Federal Government might impose, we would do less business than we do now?—They might shut out that £46,000.

1746. Would that hurt us?—It would to the extent of £46,000.

1747. Perhaps you might not hold that opinion if you look at the items, because a great many are probably only for transshipment?—Probably.

1748. With regard to fish, what is to prevent the development of the fish industry now? Is there a duty against it in Australia?—There is.

1749. Do you know how much?—I am certain there was, because they stopped our men from sending fish to Melbourne by putting on a heavy duty.

1750. Do you not know that fish is not too well supplied in Auckland?—It is not supplied as it ought to be.

1751. Is it not the fact that our fisheries are not nearly so extensive as we have the right to expect?—I think our fisheries are not so extensive as they might be; but there is always plenty of fish for sale in town.

1752. If the fish could be profitably caught and sold, what is to prevent them being exported to New South Wales now?—I think at the time they knocked the export off we were dealing with Melbourne; but I do not see any reason why fish should not be caught for export now. It was some prohibitive arrangement about landing which prevented them continuing the trade.

1753. *Hon. Major Steward.*] What are your Waikato agriculturists growing?—We depend upon beef, mutton, wool, butter, and on certain classes of grain.

1754. Do you think the position of the agriculturists of the Waikato would be affected under federation?—Yes; they would be benefited.

1755. So far as regards the beef, the mutton, and the butter, can you not always get a market for these articles in London?—I believe that a lot of our butter will find its way to Australia under federation which does not go there now.

1756. But does it not find a good paying-price in London?—Yes; but if we get a better price in Australia it would pay us better to send it there.

1757. But, still, there is always a market for that article of produce there?—Yes, a certain market.

1758. As regards wheat, do you sell it all locally, or do you export much?—I should think it is all sold locally, and used by the Auckland millers. We only get from the mill-owners the export price, and if they could import it for a quarter less they would not buy our stuff at all.

1759. It used to be asserted that the South Australian wheat in particular is a very profitable wheat, and is used in making flour more so than our own wheat: is that so now?—I think the South Australian wheat is a better-developed wheat. It is drier; but the farmers do not have such large crops as we do. The South Australian climate is very suitable for wheat-growing.

1760. Given that the price of flour is the same, and that you can turn out better flour from a ton of Adelaide wheat than you could from the Auckland wheat, do you not know that the baker would buy the Adelaide flour because he can make more loaves out of a ton of it than he could out of yours?—That is so.

1761. Do you not think that if you put your man on even terms with the men in the other colonies he will turn against you, and you would lose your local market?—I think wheat of that good description would go to a better market.

1762. Do you grow oats extensively?—For oaten hay only, and not for the purposes of shipment.

1763. Then, oats may be dismissed for the purposes of argument?—Yes, excepting that if we can induce the southern people to grow oats and send them away it uses their land up, and prevents them growing things that we can grow.

1764. Boiling it all down, you think that you would gain in respect to some of these articles of produce, such as beef, mutton, wool, &c., if you were under a free tariff, as against being in an isolated position, and having to contend against inter-State tariffs?—No, I do not take up that position at all; I am not one of the manufactures who come here and blow of the small amount of goods that they can manufacture. We should gain as a whole by putting the colony upon a better footing. We improve ourselves and our market generally; we do not wish to say we are going to gain at the expense of other people, but we consider that it would be better for the colony as a whole.

1765. You are aware that one-fourth of our revenue amounts, in round figures, to £500,000?—Yes.

1766. Do you know the amount per head that we raise by way of Customs revenue now?—I do not; but it was laid down by Sir Julius Vogel as part of his policy that you ought to raise £2 12s. 6d.

1767. Well, it is practically now £2 17s. 1d.?—That is rather high.

1768. The Commonwealth revenue amounts to £2 0s. 2d. per head, and if the eight millions and a half that Mr. Barton says he will require to raise were raised it would mean £2 5s. 8d. per head. If that were applied to New Zealand we should lose about £1 per head on a population of 500,000. If that were the case, would you still be disposed to advocate federation?—I think I should attempt retrenchment, and I think I could retrench to the extent of £470,000.

1769. You seem to hold a very strong opinion in certain eventualities: do you say it might be better for New Zealand for defence purposes to be connected with a Commonwealth of Australia separated and so far from us by sea?—Yes.

1770. Have you thought of what the cost of a first-class battleship comes to?—About a million of money.

1771. Do you think that anything less than ten or twelve ships would be sufficient for the defence of the various ports of Australia as well as those of New Zealand?—You would want at least that number.

1772. Is it conceivable that, within any reasonable period of years, the Commonwealth is going to be in a position to spend that sum of money?—I think it is perfectly conceivable. All we have to do is to borrow it.

1773. Do you think they would be disposed to borrow it for that purpose?—I do.

1774. *Hon. the Chairman.*] We have had it stated that, in event of federation and of inter-colonial free-trade, New Zealand would be swamped with cheap meat from Australia: do you think that would be so?—I do not for a moment.

1775. Have you any fear of the States Governments being absorbed by the Federal Government, the same as the Provincial Councils here were absorbed by the General Government?—No. We shall always have a very live Government in the States.

JOHN FAWCUS examined. (No. 166.)

1776. *Hon. the Chairman.*] What are you?—A mechanical engineer, in the City of Auckland.

1777. Have you lived long in New Zealand?—For thirty-four years.

1778. Do you attend in any representative capacity?—I am here to represent the Trades and Labour Council of Auckland.

1779. How many members are there in that association?—There are ten unions, aggregating five hundred members.

1780. Have you discussed the question of federation?—We have in a limited degree.

1781. What is the opinion of the members?—Opposed to federation.

1781A. And you agree with the resolution at which they arrived?—Yes.

1782. Was there much division of opinion amongst them?—None whatever. It was unanimous.

1783. Will you kindly state the ground on which they arrived at the decision?—At the outset we desire to express our admiration for the splendid piece of democratic legislation contained in the Commonwealth Constitution, which reflects credit on its framers, being a monument of statesmanship, and going far to maintain our colonial tradition of being the advance guard of the world in political reforms. There is an apparently harmless clause, evidently an amendment to the original draft Bill (I refer to clause 7) of Part II., which was given to Queensland—as a sop, no doubt, to induce her to join as an original State, for it allows her the special privilege of subdividing the State for election of Senators into divisions if she so chooses; and she may determine the number (not exceeding six in all) for each division. We look upon this with suspicion, and a blot on the Federal Enabling Bill, because we think it was pandering to the supporters of coloured labour. The remote possibility of such ever getting a foothold in New Zealand, both on social and economic grounds, the wage-earners dread, just as much as they do the bubonic plague. Coming to the matter of our manufacturing industries, we believe it would mean death to such of our industries as boots, jam, candles, clothing, which have cost us so much in fostering. Even our much-cherished woollen industry would suffer, due to shoddy goods being admitted free; besides, with New South Wales having seven times as many mills for a start in competition would place us at serious disadvantage. While admitting that the numbers of those engaged in pastoral and agricultural pursuits, whom we gather federation might benefit, are greater than those engaged in manufacturing, the former being 106,000 out of a total of 293,000 bread-winners, yet it behoves us to consider well before we federate what are the prospective possibilities for us becoming a manufacturing community, with abundant raw material at our door, of coal, timber, wool, hides, kaurigum, &c., not forgetting the probability of utilising our unlimited ironsand. Remembering what has been done in the treatment of refractory ores in the Waihi district, it cannot be thought that science will fail to discover means to extract the mineral so as to make it a profitable and marketable article. It is a hopeful sign of the progress of our manufacturing industries that the last return shows an increase in value for the year of £124,000. And by no means the least factor to our commercial and industrial greatness is the abundant and well-distributed water-supply in New Zealand. In the north we look forward to our Waikato Falls and the Manukau Canal being harnessed for motive-power. One thing we deem absolutely necessary to be done before industrial or commercial distinction can be obtained for New Zealand—that is, the Government shall largely extend technical education to the commercial and scientific training of our boys. In this respect, relatively to New South Wales, we are woefully behind, as you will find, gentlemen, should you inquire in Sydney. Should we join the Federa-

tion, we hold—judged by the light afforded from past legislation in the Australian Colonies, save South Australia—that our social and labour legislation would not only be retarded, but there is a danger that it would be retrogressive. In this direction we think we have everything to fear and nothing to hope for. In explanation as to our fear *re* legislation, let me refer to clauses 108 and 109. The first-named clause gives power to the State to retain, alter, or amend existing laws, such as naturalisation and aliens, invalids and old-age pensions, conciliation and arbitration; but clause 109 gives power to the Commonwealth, should it enact similar measures, to alter the existing laws of a State so as to make them harmonize with the laws of the Commonwealth, which means that our advanced social and labour legislation will be brought down to the level of Australian ideas. Due to free-trade in the Commonwealth, there will be a tendency to centralise manufactures, say, in Melbourne and Sydney, and, as our exports to the colonies are far in excess of our imports, vessels, rather than return in ballast, would accept very low freights; anyway, timber-vessels from here could without loss take one-third less freight, say, from Melbourne than go from there to Newcastle for coals. There is another reason why we object to federation at present. We have no idea what may be the nature of the tariff on goods coming from abroad. We do know there is a numerous free-trade party on the other side, and until we gather how we are likely to be affected it would be impolitic to join. In conclusion, we consider that, as we did not join as an original State, our wisest course is to leave the question of federating alone at least for five years. Then we shall have the light afforded from experience to guide us to at least a safer conclusion. Already we are branded as experimentalists, but no existing Federations—Switzerland, New England, or Canada—have tried it with twelve hundred miles of ocean between their States, and we draw the line at this experiment.

1784. Then, you and your council are decidedly opposed to federation?—Yes.

1785. *Mr. Millar.*] Have you given any consideration to the coloured-labour question?—Yes. I am quite satisfied that the sugar-plantations could be equally as well worked by white labour as by coloured labour, and better worked.

1786. How far north do you think the white labour would be capable of working?—I have been as far north as Rockhampton, and I do not think the temperature there at any time exceeds that at which a white man can work. In my early days, as a sea-going engineer, I have been in the engine-room when the temperature stood at 120 degrees for four or five days and nights without varying 2 degrees. That was in the East. I have had experience of both coloured labour and white labour in China, in the position of engineer, and my experience gathered from that is that the white man could do the work as well as the coloured man. One white man is as good as three coloured. We had to have three times the coloured labour to the white, and that makes the difference. I am perfectly satisfied it is only a matter of £ s. d. in respect to carrying on the sugar industry in Queensland by coloured labour. I might also give the statement of Sir Samuel Griffiths, ex-Premier of Queensland, who expresses a similar opinion.

1787. *Hon. Mr. Bowen.*] Have you had any experience in sugar-growing?—None.

1788. Do you know any country in the world where white labour has been able to engage in the sugar-planting business?—No.

1789. It is standing the work in a warm climate without change that knocks men out, and you know that in the case of the engine-room a man comes up into the fresh air occasionally. We should be glad to know whether the sugar industry can be carried on by white men, but you have not had any absolute knowledge of that business?—None whatever. I am only speaking of similar conditions as regards temperature, and a comparison of coloured labour with white labour in the engine-room with the thermometer at 120 degrees.

1790. *Hon. Captain Russell.*] In the course of your travels or in the course of your reading have you met with any country in the world now or in past history where the Anglo-Saxon has been able to labour on the sugar-plantations in tropical regions and to reproduce his race?—I do not. So far as my reading goes, there is nothing in history to show why he should not under those conditions move, live, survive, and prosper, or that there are any conditions in that respect that he could not live under.

1791. Will you illustrate your belief by instancing any country where such a thing has been done?—One illustration I have in my mind is the West Indies, where for generation and generation the white man has lived and worked.

1792. *Hon. Mr. Bowen.*] It is black labour in the West Indies?—Yes; and there is European labour also.

1793. *Hon. Captain Russell.*] But they do not do the work, they oversee it?—So far as the particular industry is concerned, I must answer in the negative—that I do not know of any country where the white man does that kind of labour.

1794. As you have given the answer in the negative, does not that go to prove that tropical Australia will have to lie desolate or be occupied by a coloured race?—No. I have answered that question according to my light, and I say that, given the white man receives a fair wage, he can exist under those conditions and can do the work. That is my answer.

1795. But you cannot illustrate a case in point?—No; but I might add that it is questionable in my mind whether there is any record wherein the opportunity has been afforded to a white man to work under those conditions, simply because the dark labour has been taken in preference, being cheaper.

1796. If you take Western Africa, you will find there the remains of a Roman civilisation, where there are now no traces of a white race: how do you account for that?—It may have been a coloured civilisation; but I cannot account for it, and I do not think anybody else can. It may have been from a totally different cause—through the people, if they were Romans who left those remains, not being adapted to the climate.

1797. Then, you anticipate the time when all tropical Australia will be occupied by white people?—I do sincerely.

1798. Then, supposing tropical Australia is occupied by Europeans, will not they differ in type in the course of a hundred or two hundred years very materially from the New-Zealanders?—I think they will.

1799. Then, under those circumstances, which should you say would be the most able to compete in the labour-markets of the world?—Judging by the evidence, I should say the New-Zealanders would.

1800. You think that we have great powers of development in respect to the iron industry?—I do, in the future, and for the reason I have stated—judging from the result at Waihi in treating the refractory ores.

1801. And you think the great motive-power of the future will be electricity, which we shall have in great force in New Zealand?—Yes.

1802. Then, why are you afraid of the competition of Australia?—Because I do not believe that we have arrived at that condition wherein we are able to compete; but I am speaking of the present, not of the future.

1803. You have not considered the question from the aspect of the remote future at all?—I admit I have not. I have only looked at the immediate future.

1804. Simply from the standpoint of to-day?—Yes, of the immediate future.

1805. Will you try to project your mind forward for, say, a hundred years hence?—I could not possibly do it.

1806. Not as to what the result will be in regard to the manufacture of goods at that period?—No, I could not.

1807. The Commission has to, and we want to get assistance?—It is not given me to look so far into the future, but I think if the Commission deals with this question from the point of view of twenty years hence it will be doing very well. My suggestion is that we should leave the question alone for five years, and see what the result of federation is on the other side.

FRIDAY, 8TH MARCH, 1901.

JAMES HUME examined. (No. 167.)

1808. *Hon. the Chairman.*] Where do you reside?—In Auckland.

1809. How long have you lived in New Zealand?—About forty-two years.

1810. What is your occupation?—I am manager of Bycroft Company, millers.

1811. Is that a large concern?—Oh, yes; there are two mills in Auckland; ours is not the largest.

1812. What is the business?—Flour-milling.

1813. Will you tell us, please, your opinion as to whether New Zealand should federate with the Commonwealth of Australia or not?—From a milling point of view it appears to me that federation would not suit New Zealand, certainly not this part of it, as wheat can be grown in Australia in large areas and at less cost than in this colony. In New South Wales the area under wheat during the last three years has been rapidly increasing, and this year there is a large surplus for export, although the crop does not appear to have been particularly good per acre. But the fact of a rapid increase of production in face of the abnormally low prices which have ruled during the same period points to the probability of New South Wales and Victoria, not to mention South Australia, becoming very large wheat-producers in the near future, with an increasing surplus for export, and flour is likely to be manufactured both in Sydney and Melbourne at less cost than in New Zealand, as the conditions of labour appear to be more favourable in those cities, and better prices can be obtained for the offals. Then, as the wheat is drier and harder than ours, it makes a better flour in some respects, and is worth more to the baker. The freight would not be more from Sydney to Auckland, if so much, as from Lyttelton to Auckland, so that if the present duty were removed we might have to compete under very unfavourable conditions with Australian flour in our own market—that is, unless the Auckland District grew sufficient wheat for its own consumption, of which there seems to be no probability. This competition would not so much affect the South Island, because all the wheat the millers require is grown there, but it would seriously affect their market in the North Island. With reference to the manufacture of biscuits, I am of opinion that federation would give Sydney and Melbourne some advantage over us, as all the materials there appear to be cheaper, together with labour; and, as the industry there has been longer established, and has had a much larger market, it probably would be difficult for us to compete with them.

1814. What do you think would be the effect of federation upon the agricultural interests generally of the colony?—I have not studied the subject sufficiently well to give an opinion, although I am inclined to think that it would be better for New Zealand in the long-run.

1816. Have you considered how the colony as a whole would be affected financially?—As I say, I have not gone into the subject sufficiently, except in a general way. I think that on the whole it would be to the interests of the colony to federate, apart from considerations of one's own business.

1817. You think your business would suffer, but you think the colony as a whole would benefit by federation?—I do.

1818. You know that New Zealand cannot federate at present as an original State?—I did not know that.

1819. Would you be prepared to join at once if they would take us upon the basis of an original State?—No.

1820. Why not?—Because, as I say, it would affect our own interests at present.

1821. Do you mean that you would rather wait than join at present?—Yes.

1822. Although you are of opinion that on the whole it would be for the benefit of the colony to federate?—Yes, in the long-run.

1823. *Mr. Roberts.*] You know that wheat is subject to import duty here?—Yes.

1824. Of 9d. per 100 lb.?—Yes.

1825. In joining the Commonwealth Western Australia has made an arrangement with the other States that the difference between her tariff and the Australian tariff cannot be adjusted for five years: if the same rule applied to us, do you think there would be any serious competition to your trade?—The industry might survive, but I am not in a position to speak authoritatively on that point.

1826. *Mr. Beauchamp.*] What is your opinion of the relative quality of New Zealand and Australian flour? Do you think the Australian is better?—It is stronger, but I do not know that it is better for general purposes. It is stronger, however, and if it could be bought here at anything like the price of New Zealand flour it would probably be preferred by the bakers.

1827. Would it pay them to give £1 a ton more for Australian flour?—I think it would pay them to give, perhaps, 10s. more, but I do not think it would pay them to give £1.

1828. Generally, is Australian flour cheaper than New Zealand flour?—At present it is.

1829. With intercolonial free-trade it would come in here cheaper?—It might.

1830. *Mr. Leys.*] I suppose it would also affect the wheat-growers here and in Canterbury?—Yes.

1831. It would affect them disadvantageously?—Yes.

1832. Have you read the Commonwealth Bill?—No.

1833. You have not considered the effect of the provisions of that Bill generally upon the institutions of this colony?—No.

1834. When you say that you think federation would in the long-run be for the benefit of New Zealand, on what do you base that opinion?—Just on general grounds. The fact of our federating with a large continent like Australia would, I think, lift us out of little party politics, and be for our good. And it would develop local self-government here.

1835. You could not have considered how it would affect local self-government unless you have read the Bill?—No; but I have an idea that it would be for our benefit in that way.

1836. *Hon. Major Steward.*] If the effect of our joining the Commonwealth were that we would have to raise more revenue by direct taxation to the extent of £400,000 or £500,000, do you think it still expedient to join the Federation?—If we had to raise that amount, which I suppose is doubtful, we would have corresponding advantages, I presume.

JOSEPH COCHRANE MACKY examined. (No. 168.)

1837. *Hon. the Chairman.*] What are you?—A warehouseman.

1838. You are also chairman of the Riverhead Paper-mills?—I was last year.

1839. Have you lived long in New Zealand?—All my life—for forty-six years.

1840. Have you considered the question of New Zealand federating with Australia?—To a certain extent, but not exhaustively.

1841. Have you not read the Commonwealth Bill at all?—Only outlines of it.

1842. What is the conclusion at which you have arrived?—I am against federation at the present time.

1843. On what grounds?—I have looked at the question from four or five different standpoints.

1844. Give us your views on the commercial aspect?—I think that federation would be detrimental to New Zealand from a commercial point of view, because we would be at once in competition with older and stronger businesses. Those old businesses have an enormous control of capital, and I think the effect would be something like what it is in America—the development of enormous business institutions at the cost of smaller ones, which I think is detrimental to any country. I think there is no question that New Zealand would become the dumping-ground for the goods of these large houses. They would keep up the price over there, and dump the surplus on to New Zealand.

1845. Do you not think the merchants in New Zealand would be able to compete with the merchants in Australia?—I say we would suffer. In years to come we might grow strong enough to fight them; but, taking it as a movement of the present time, I think commercially we are bound to suffer.

1846. What is the next point from which you have considered the matter?—From a manufacturing point of view. I think, from a manufacturing point of view the same arguments almost apply. They have, I think, cheaper labour and a larger output of individual lines; and I think that is what all manufacturing comes down to—the advantage of turning out large individual lines. It makes it impossible for small factories turning out greater varieties of lines to compete, except with a very heavy protective duty. I think that is a very strong argument from a manufacturing point of view.

1847. Is it not possible for large manufactories, with the best machinery, to exist in New Zealand?—I do not think it is impossible, but at the present time we would be at an enormous disadvantage; and I think our distance from Australia would make it hard at first for us to extend our markets against those which have been established so long, and have already a big output.

1848. How long do you think it would take New Zealand's manufactories to overtake them?—We would be heavily handicapped by the distance, and we would be heavily handicapped by ignorance of the market.

1849. What is the next point?—I have looked at it also from the agricultural point of view, but on that I speak with diffidence. But, as far as figures show, Australia has always been a small market, and it does not control our prices at all. It is only a good market in times of drought, when they must take our stuff because of the nearness of the port and the cheapness of the freights. I do not think, agriculturally, our people will gain much; but I do not wish to say much on that point.

1850. What do we produce that Australia does not produce?—Kauri-gum, for one thing, and certain timbers and flax; but I do not know that those things are much required in Australia. The varnish industry might grow in Australia, but at the present time I do not think there is much consumption of kauri-gum there.

1851. Have you considered how the balance of trade is between Australia and New Zealand?—No. I think, however, that the political point of view is the most serious aspect of the question. We would suffer seriously in that respect. We would not take the same interest or have the same control that we have hitherto, and it would not encourage us politically. It would not develop a political spirit, I think, but would rather tend to crush it, which would be a very serious calamity. I think, politically, we have developed so well by ourselves that federation could not develop us any faster, and the twelve hundred miles of sea seems to me, as Sir John Hall said it was, twelve hundred reasons why we should not federate. I know that in America, Prince Edward Island, which is only twenty miles away from the main States, was allowed five years to federate.

1852. On the sentimental question, what do you think of New Zealand sacrificing its independence?—I am afraid New Zealand would sacrifice its independence. We would be a small minority, and I fail to see that we could influence the legislation sufficiently in the Federal Parliament.

1853. Have you any other reason for opposing federation except those you have mentioned?—I do not think from a defence point of view we would lose much. I think that the last war shows that the Anglo-Saxons stand together whether federated or not; and from the defence that it appears has been made against our army it is evident that it would take an enormous army to take New Zealand, and that no army in the world would attempt it.

1854. Can you tell us of any advantages that occur to you as likely to accrue to New Zealand through federation?—One's sympathies are likely to be with any movement likely to draw men together, and on that ground I cannot help heartily sympathizing with it. I look forward to the federation that will be through Great Britain, when we will concentrate like the spokes of a wheel. We will not then lose our identity, but will join together through the centre.

1855. But can you look for any closer cementing of the Empire than at present?—I think, yes, if the Empire as a whole took it in hand. I think New Zealand would sacrifice more for British federation than for a federation with Australia only.

1856. Do you think that New Zealand would sacrifice her local self-government as much as she would under Australian federation?—I do not think that that federation would mean the domination of our local government.

1857. What would it be?—General representation in regard to colonial matters in some central place, say London.

1858. Do you think that such a federation as that would have been better for Australia than the present Commonwealth?—No, I would not say that. Nature points to the federation of all the colonies on the Australian Continent.

1859. *Mr. Leys.*] Do you think the effect of this concentration of industries in Australia would be to cause the number of New Zealand workmen to shrink a little?—Yes, I think so. I think it would have an effect like that on the whole of the colony. These warehouses would grow rapidly in Australia, and draw trade away from here.

1860. *Mr. Luke.*] With the development of our concerns, do you think it would be possible in the near future to exploit the markets of Australia?—They have such a large start of us that it would be very difficult to catch them up. These big firms have branches at Melbourne and Brisbane, and they have a lead which makes it very hard for us to catch up.

1861. Take the woollen industry: we have all the natural conditions, do you think we could develop that?—Yes, I have always been inclined to think so.

1862. Then, kauri-gum could be manufactured into varnish here?—I do not think it is necessary to state that. They could not buy anything else for varnish.

1863. *Mr. Beauchamp.*] In the past Australia has been subject to greater financial crises, has it not, than New Zealand?—Recently, yes.

1864. In those crises have you suffered, or do you know of any suffering here, through the selling of bankrupt stocks in this colony?—Considerably.

1865. With inter-State free-trade that would be accentuated in the future?—Yes, it would.

1866. With ordinary free-trade, do you think you would suffer from the distributing-houses in Australia?—Yes, we would. Sydney is the big dumping-ground there, and Auckland would be made the dumping-ground from Sydney for New Zealand.

1867. Can houses in Australia buy better than houses in New Zealand?—I think so, because of the large quantities.

1868. Do you think, after they have provided for the domestic trade, that they would send over the surplus here and cut prices?—Yes.

1869. Have you considered the question of the loss of revenue by joining the Federation?—I object strongly to that loss. I do not think we would gain anything to compensate for the cost.

1870. Would you favour our entering into a reciprocal treaty as against federation?—Certainly.

1871. Have you any views regarding the establishment of an Imperial Zollverein?—I have not studied it sufficiently, but I am strongly inclined that way.

ROBERT DICK examined. (No. 169.)

1872. *Hon. the Chairman.*] Where do you live?—At Otahuhu.

1873. What are you?—A chemical-works manager.

1874. Are you attending here in a representative capacity?—As president of the Auckland Agricultural and Pastoral Association.

1875. You are one of a deputation from that body?—Yes.

1876. How many members are there in that association?—Five hundred and forty-two in the Auckland association, but we also have the other agricultural associations in the province affiliated with us. I should say there are something like two thousand or two thousand five hundred altogether.

1877. Has the association met to discuss the question of federation?—No, owing to the short period we had allowed to us.

1878. They have not, then, as a body considered this question?—Not properly. We had a short paper read on it a year ago, but it was only one of the papers read to be afterwards discussed at a one day's meeting.

1879. What is the opinion you have arrived at in the matter?—The opinion, as far as I am able to estimate the opinions of members, is in favour of federation from a farmer's point of view.

1880. What is your own opinion personally?—Personally I am not before the Commission. I am here simply as president of the Agricultural Association.

1881. But have not you any personal opinion on the matter yourself?—I have to a certain extent, but I would rather not express it.

1882. You are merely speaking in a representative capacity?—Quite so.

1883. And you understand that the majority of the members of the association are in favour of federation?—I do.

1884. Can you say if the majority in favour is a large one?—I should say there was a very considerable majority.

1885. The association consists of persons engaged in agricultural and pastoral pursuits, I presume?—Almost entirely that.

1886. Can you state what are the grounds upon which they favour federation?—I have here a statement which the secretary (Mr. Hall) and myself prepared, and with your permission I will read it: "It seems scarcely necessary to point out to such a Commission as this that agriculture is the staple industry of New Zealand. In 1899, out of a total of exports of £11,799,740, £8,923,414 represented agricultural products, and £378,066 manufactures. At the last census it was found that more persons were engaged in agricultural pursuits than in all our manufactories put together. The accompanying statistics show that a very large amount of agricultural produce has been sent to New South Wales (where we have practically an open door), while the quantity sent to Victoria in the same time is small, and some lines are absolutely shut out altogether by hostile tariffs. The total exports to New South Wales from New Zealand in 1899 were £1,118,699, while to Victoria, against a hostile tariff, only £412,822. The agricultural products alone to Australia amounted to over £700,000 in 1899. This may be due to a certain extent to factors that render New South Wales better suited for an exchange of products with New Zealand, but there can be no doubt it is mainly owing to the fact that in Sydney we have an open door for our produce, while in Melbourne we have to face a hostile tariff. We think the difference in climatic conditions does not altogether account for the fact that, while Sydney in 1899 took 172,737 bushels of malt, Victoria, with a hostile tariff of 4s. 6d. per bushel, refused to take one bushel. The same argument applied to other items; for example, take maize—Sydney in 1899 took 145,682 bushels, Victoria took none; Sydney took 19,047 cwt. of oatmeal, Victoria, with a hostile tariff of 9s. per hundredweight, only 776 cwt. Cheese—Free-trade Sydney took 21,313 cwt., Victoria only 1,770 cwt. The two latter items are instances of how a closed door in Australia may injuriously affect our manufacturing and transport industries as well as our farmers. I believe one of the few, if not the only line of our agricultural produce of which Victoria takes more than New South Wales is grass-seed, and it is worthy of note that there is no duty on seeds in Victoria. We are told that Australia will be compelled to take our produce, and that the consumers will pay the duty; but past experience shows that such is not always the case. Mr. Henry Overton, writing from Invercargill on his way home, said he saw 184 trucks of oats for shipment to Sydney. He also met a Victorian squatter, who was so taken with the low price of oats that he said he would take a lot home for his stock. On inquiry, however, he found that the duty on oats in his own country, Victoria, was 1s. 2½d. per bushel, and he dropped the transaction. So the New Zealand farmer lost his market, and the squatter's stock had to do without oats. Some years ago a large business in cheese was done between this colony and Queensland. The latter colony imposed a tariff of 1½d. per pound on New Zealand cheese. This did not entirely stop the trade, and it was eventually raised to 4d. per pound, with the result that last year cheese to the value of £816 only was shipped to Queensland. Again, some years since, our Auckland supplies of maize were drawn largely from Fiji. The New Zealand Government put on a duty of 5d. a bushel on maize. Did the New Zealand consumer continue to take Fiji maize and pay 5d. a bushel extra for it—as we are told the Australians will do? No. New Zealand farmers were stimulated to grow it themselves, and last year they exported 187,932 bushels to a maize-growing country, New South Wales, which, again, represents a large amount of labour provided for the industrial classes. Australia now represents to New Zealand what is to all intents and purposes a home market of four million customers. How many millions will it contain in another twenty-five years? British merchants are keenly alive to the necessity of maintaining an open door in China. Is it not equally essential that every effort should be made to secure for New Zealand an open door in Australia? It is stated that this can be done by reciprocal tariffs, but the protectionist States of the Commonwealth have hitherto shown little disposition to meet us in this direction. It should also be noted that the beneficial effects of our Australian shipments to the agricultural community of New Zealand are not confined to the amount of money actually received for them. The resultant enhanced values of farm produce in our local markets is an important factor in the case, for on bulky articles of a comparatively low mercantile value the freights and shipping-charges to the United Kingdom are so heavy as to be almost prohibitive; farmers raise them in much smaller quantities when prices are excessively low, which again reduces

the amount of money they circulate amongst the classes engaged in handling their goods—viz., merchants' employes, seamen, &c. Such a product as potatoes cannot be shipped to England at all. We are told that Australia only buys of us in times of drought. Statistics prove that such is not the case, but that for many years New South Wales has been a heavy buyer of New Zealand produce (*vide* blue-book, 'Statistics of New Zealand, 1899,' page 246), and our exports to that colony have been steadily increasing for the last five years. It must also be remembered that these droughts are generally confined to portions only of Australia. In times of drought Tasmania and Victoria, for example, would be in a much better position to supply the needs of Australia, being able to ship duty-free, than New Zealand would with a hostile Federal tariff to face. For example, were a duty placed on potatoes, the Tasmanian would receive more for his potatoes than the New-Zealander would. There can be little doubt that such a set of circumstances would induce settlement in Tasmania rather than in New Zealand, and probably lead to New-Zealanders actually leaving this colony to commence farming in places where they would be able to take advantage of the open door for their produce.

"Agricultural Exports from New Zealand to New South Wales and Victoria in 1898.

	To New South Wales.		To Victoria.	
	Quantity.	Value.	Quantity.	Value.
		£		£
Potatoes... ..	16,156 tons	102,874	3,446 tons	20,294
Malt	97,748 bushels	25,868	...	...
Oats	439,250 "	47,831	100,350 bushels	10,228
Wheat	416 "	83	...	...
Maize	86,725 "	11,822	...	...
Beans and peas	11,662 "	2,859	1,446 bushels	425
Barley	865 "	123	1,104 "	207
Flour	197 tons	1,770	...	...
Bran	199 "	652	4 tons	12
Bacon	300 cwt.	1,016	215 cwt.	611
Hams	518 "	2,070	51 "	184
Cheese	15,493 "	31,102	4,150 "	8,720
Onions	33,441 "	12,639	...	...
Preserved milk	138,744 lb.	2,629	12,480 lb.	249
Butter	3,424 cwt.	17,154	5,130 cwt.	25,829
Oaten meal	9,389 centals	5,199	5,830 centals	3,087
Hides	12,791	10,497	6,112	5,862
		276,188	...	75,708

"Agricultural Exports from New Zealand to New South Wales and Victoria in 1899.

		To New South Wales.		To Victoria.	
		Quantity.	Value.	Quantity.	Value.
			£		£
Potatoes... ..	21,869 tons	32,572	192 tons	323	
Malt	172,737 bushels	40,486	...	...
Oats	1,214,585 "	96,774	515,505 bushels	42,712	
Wheat	251,087 "	27,584	12 "	1	
Maize	145,682 "	19,512	...	...
Beans and peas	18,996 "	3,764	1,232 bushels	294	
Barley	74,729 "	10,079	12,744 "	1,782	
Flour	1,331 tons	8,160	20 tons	108	
Bran	4,552 "	11,428	97 "	258	
Bacon	1,044 cwt.	2,668	7 cwt.	26	
Hams	1,904 "	6,766	14 "	50	
Cheese	21,315 "	43,825	1,770 "	3,984	
Onions	42,020 "	6,389	538 "	64	
Preserved milk	117,718 lb.	2,030	5,144 lb.	97	
Butter	6,938 cwt.	29,651	2,871 cwt.	11,907	
Oaten meal	19,047 centals	7,188	776 centals	333	
Hides	17,595	14,513	7,691	7,680	
Grass-seed	4,864 cwt.	6,262	7,422 cwt.	8,215	
Tallow	1,299 tons	24,182	109 tons	1,807	
Wool	710,177 lb.	18,457	92,036 lb.	2,364	
" scoured	124,004 lb.	4,206	...	...
" washed	8,980 lb.	300	...	...
		416,801	...	82,005	

1887. Do you wish to say anything on your own account, beyond what is contained in that statement?—No.

1888. According to the evidence given, you are of opinion that if we do not federate the agricultural interests will be prejudicially affected?—Yes, that is so.

1889. Are you aware that with the duty which exists against us now in Victoria the exports of New Zealand produce to Victoria in 1899 showed an increase of £12,049 over 1898?—That is possible.

1890. You speak of Victoria as a closed door?—Practically it is so.

1891. Are you aware that Victoria is a large exporter of agricultural produce?—I am aware of that.

1892. And that she is able to supply all her own needs?—I think so.

1893. How would our federating or not federating with Australia affect our trade with Victoria?—In the same way as it would affect our trade with New South Wales.

1894. Can New South Wales produce in the same way as Victoria can produce?—New South Wales is a large exporter of agricultural produce. She buys butter and cheese largely from us, and both of them produce largely for themselves for export.

1895. Is the butter and cheese we send there for “home” consumption or for re-export?—Because of the large sale of it there we take it that the great bulk of it goes for consumption in the colony.

1896. Then, you think that the agricultural interests of this colony would be adversely affected if we do not federate?—I do.

1897. Have you considered how the manufacturing interests would be affected?—I am a manufacturing man myself.

1898. How would you be affected?—I am quite prepared to meet them on the other side.

1899. You could hold your own?—If not, it is time I went to the wall.

1900. What lines are you manufacturing?—Artificial manures and acids.

1901. *Mr. Roberts.*] I suppose you conclude that the large production of agricultural produce in Australia has been largely the result of the protective duties there?—To a certain extent, and also owing to the fact that the farmers in Victoria have naturally been alive to the possibility of climate and soil, and they have gone in for a very much higher method of farming.

1902. A method which could not have been carried on if New Zealand produce had been admitted free: is that not so?—New Zealand produce, if admitted free, would probably have swamped a good deal of their produce, as we did in the maize industry.

1903. *Mr. Millar.*] Why do you conclude that Australia is of such enormous advantage to our agricultural interests?—It is a very large market, and there are very large products that they cannot produce there in sufficient quantities to meet their own demands, and we would inevitably have a considerable market for our goods. I find that the item of agricultural produce sent to New South Wales is a very much larger one than that sent to the protected ports.

1904. You know that New South Wales has been a free-trade port all these years, and therefore why has it not been of a greater value to you? At the present time it is only worth £600,000?—I understand that £652,000 are the correct figures, without specie, and that is nearly double the value of the whole of our manufacturing exports.

1905. Would you be surprised to find that half of the exports you sent to Australia has gone to the protected colonies?—I am very glad to find it so, but I am not aware of it. I would call your attention to the fact that some of these colonies which are accepting federation are colonies that cannot produce the lines we send. It is a good deal to say that they have taken that amount in spite of protection. How much more would they not have taken if they had not been protected?

1906. They will only take what they can consume?—Exactly. But they would consume far more if the prices were not artificially raised by high tariffs. Take cheese, for example: far more would be used in Queensland were the price lowered to 6d. per pound.

1907. Would not we stand in the same position under federation?—I do not think so.

1908. We have now a free port—New South Wales; the probability is that under the Commonwealth a protective tariff will be imposed, and we would not be able to export as much as we do now. Do you know that New South Wales is growing sufficient wheat for her own requirements?—I know she is also exporting it.

1909. You would not get a market there for that?—Yes, because the mixture of our wheat with theirs would make a better flour than theirs alone.

1910. *Vice versa*, it would be the same with Adelaide wheat imported here?—It is being imported now.

1911. Do you not know that Adelaide wheat is of a greater value than New Zealand wheat for baking purposes?—I do not think any New Zealand miller would care to use Adelaide wheat alone.

1912. How is it that they import Adelaide flour now?—They use in New Zealand a small quantity of Adelaide flour and a large quantity of ours; but I do not think it would affect our exportation of flour.

1913. I suppose the reason you go to the Australian market is because it is the best market?—We go to the nearest market.

1914. Presuming you find a better market, how long would you ship to Australia?—That question answers itself. We would send our stuff to the best market.

1915. Taking South Africa, where attempts are being made to find a better market, in the event of the whole trade being diverted to South Africa, do you think that that would be beneficial to the agriculturists of New Zealand?—It might be if the returns were better, but the expenses of freight, &c., would be higher. But two markets are better than one.

1916. Which is the farmer's best market—his domestic market or his export market?—If he gets a local market he would sell there if the returns were good.

1917. As a rule, are not the returns from the local market better than the returns from the export market?—As a general rule, for manufactured goods, but not for agricultural produce, where the supply so largely exceeds the demand, as it does in New Zealand.

1918. If by federation you are going to reduce the demands of the local market, is that going to benefit you?—How would you reduce the local demands?

1919. By reducing the number of hands employed?—I do not think federation with Australia would very prejudicially affect the manufactories, or that the number of hands would be reduced. Wages are as high in Australia as in New Zealand, practically.

1920. Have you gone into the matter to see how it would affect them?—I have, but my information is meagre.

1921. There are over 50,000 hands employed in the whole colony?—Yes.

1922. Well, it is admitted that six or seven of these industries cannot live to any extent under federation?—I should doubt the statement if it referred to any leading industry.

1923. What about boots, which is a leading industry in the colony: would you say that that could live in this colony under federation?—If it could not live there is something wrong.

1924. How is it that with 22½ per cent. duty foreign importations are coming in now?—They are increasing.

1925. How long is that trade going to last under federation?—If the manufacturers cannot exist with the conditions applying in the boot trade, it is evidence that they are not in the proper groove, and that they are not carrying on the business as it ought to be carried on. It is a hot-house plant, and ought to go. I do not think you would lose one-third, because you must remember that the employes in a boot-factory are not all married men.

1927. There is the same proportion of married men there as there is of married men on the land. How many farmers are there in the colony, taking the last census?—I cannot give the exact figures from memory.

1928. There are only thirty thousand all told, and twenty-one thousand agricultural labourers, or a total of fifty-one thousand, so that the two branches, farmers and employes in manufactures, are pretty evenly balanced: do you not think it would be more in the interests of the Colony of New Zealand for us to endeavour to do all we can to encourage those industries, and at the same time find new markets for the farmer?—Encourage the industries of the colony by all means, so long as you preserve the natural conditions; but if you are going to pamper them up by making other people in the colony pay heavy taxation to keep them I do not think it is a wise thing to do at all.

1929. Take beef lately—cattle which four or five months ago could be bought for £4 are now £9: is not that difference going into the farmer's pockets?—That is not correct—£9 cattle could not be bought for £4 five months ago. Though they are higher than they were, that is not the result of protection. The farmer has got no protection to help him get that high price. Besides, he has to pay higher prices for his young stock.

1930. Yes; he has a duty of 10s. per head on horned cattle now?—That is a very slight protection as compared with 22½ per cent. on boots, and is practically of no use whatever for protective purposes.

1931. But, from a purely farming point of view, do you not think it would be more beneficial if the Government of this colony endeavoured to find new markets for the agricultural produce?—I have already said so.

1932. If that can be obtained without federation, do you not think it would be more to the advantage of the agriculturist than to federate, and thereby run the risk of seriously damaging many of the manufactures of this colony?—I do not think that is within the range of practical politics.

1933. Which?—Finding a better market than Australia.

1934. Have not tenders been called for a South African service?—We do not yet know whether that will be successful or not.

1935. Have not the Government also done all they possibly could to assist the agricultural interests by appointing graders for the dairy produce?—They have done good work in that way.

1936. If they have done that, then should you not think that they have practically induced the people to increase the production, and, that being the case, they should endeavour to find a market for the increase?—It is consistent with natural conditions that they should do so, but not at the expense of half a dozen other interests.

1937. Then, the Government is not, in paying a subsidy for a direct service with South Africa, pampering the farming industry?—Anything in the shape of direct taxation is to a certain extent pampering, but it should be done with caution; and in some instances it has not been done with caution.

1938. You could not say the engineering industry has been pampered with a 5-per-cent. duty?—I do not say so.

1939. But, as a matter of fact, the boot trade is one of the most highly protected of the whole lot?—It is.

1940. Would you be inclined to support federation if it could be shown that federation is not going to do the greatest good to the greatest number in this colony?—I do not think any wise man would agree to that, if it were really shown to be the case.

1941. Do you approve of federation if it is going to do good to the greatest number?—Certainly.

1942. *Mr. Beauchamp.*] Excluding specie, the value of our exports to Australia is 8 per cent., as against 92 per cent. to the Old Country: in view of that, do you still consider the Australian market of great importance to New Zealand?—I do, considering we have sent 8 per cent. to Australian ports, with the one exception, under hostile tariffs, and taking into consideration the probable future increase in her population.

1943. But the majority of the produce has gone to New South Wales, which was a free port, yet the exported produce to New South Wales has not increased very much during the past few

years, excepting when adverse climatic conditions prevailed there: are you aware of that?—I think the increase has been a steady one for six years past.

1944. It is largely dependent on the conditions of climate over there, is it not?—Within the last six years there has been more than one climatic crisis over there, but there has never been any appreciable difference in the agricultural export. It has been a rising one all the time.

1945. How do you account for the fact that in one year potatoes to the value of £120,000 were sent to New South Wales, as against in the next year ten thousand pounds' worth, and in the following year eight thousand pounds' worth? Does not that show that climatic conditions must have an important bearing on the market?—Undoubtedly they always do. But that is only one item.

1946. Well, federation or no federation, when these adverse climatic conditions prevail they must have our produce?—Not necessarily; they can import from other parts of the Commonwealth—Tasmania, for example—and from America and the East.

1947. Is it not the fact that the production of oats in the continent has been stimulated within the past few years by protection?—I should say not entirely. The Victorian farmer up to recently was not, in the proper sense of the word, a farmer at all. He did his work in a very slovenly way, and got very low returns; but within the last six years he has apparently wakened up and completely revolutionised his methods of farming, and now in several departments of produce they are growing a very much increased quantity.

1948. Well, we may take it that protection has stimulated the cultivation of the soil, because they have had a better domestic market?—During the last five years they have largely increased their output.

1949. With the result that they are now scientific farmers?—Mostly.

1950. And that they are large exporters of oats?—Yes.

1951. And to-day the price of oats in Victoria is about the same as the price ruling in New Zealand?—Probably so.

1952. With the increased production in oats on the continent, and seeing that they can produce them as cheaply as we can in New Zealand, how can we look with any degree of confidence to finding an extended market for our produce in Victoria?—I do not think that I referred to Victoria as being the Australian market, but I spoke of Australia as a whole. We did not anticipate it in Victoria, but we did in the other States.

1953. Supposing it was reduced to this: that in Tasmania and Victoria they can produce sufficient for their own requirements and can also export, would not their exports come into competition with ours?—Yes, undoubtedly, as they do now in New South Wales; but unless we federate we shall probably have to pay a higher duty on our produce than they will.

1954. You still think that with federation you are going to extend your export trade?—I have no doubt of it.

1955. Notwithstanding the fact that in most parts of Australia they produce a similar amount of produce to our own?—They raise much smaller crops.

1956. Take wheat: they produce 40,000,000 bushels as against our 9,000,000?—They exported a large quantity last year to New South Wales.

1957. Is it not a fact that for the last year or two we have been shipping a very large quantity of produce for re-export?—I understand there has been a large quantity of produce sent away for reshipment, and probably some of it has been reshipped to South Africa and other parts of Australia.

1958. You cannot really judge of the value of the Australian market unless you have these facts before you, because we know that in our exports there are large quantities of stuff in regard to which we do not know which port is going to be the ultimate one?—That is so, but last year was an exceptional one. I have based my views on the average result of a number of years. I do not think the amount of wheat exported to Australia is very great, but we ship large quantities of oats.

1959. You mentioned something about charges on produce to England: despite these charges, is it not a fact that we are finding an increased market there?—Yes.

1960. So that without any increase in the shipping facilities, and with the lowering of charges generally, which would seem to be getting cheaper every year, is it not possible that our market in England will become a very valuable one as the years roll on?—I believe so; and the same rule applies to the Australian market for the same class of produce, while to the latter market we have the advantage of a lower freight.

1961. With regard to artificial manures and acids manufactured here, is it not a fact that these goods are admitted free into Australia at present?—Yes, and they are also admitted free here.

1962. Therefore your industry would not be prejudiced in that direction?—No; but Australia has the benefit of a cheaper freight as between its ports and Europe, and that, I think, gives them an advantage. It handicaps us in respect to the importation of manures.

1963. Without knowing the exact financial position and financial obligations if we wished to federate, should you recommend that we should federate under present circumstances, or wait until we know the exact way in which it would affect us?—I do not know that there is any necessity for being in a hurry.

1964. In other words, you would recommend us to wait?—I recommend the getting of information on the subject—the studying of the matter so as to create an intelligent public opinion before doing anything definite at all.

1965. *Mr. Leys.*] Do you not think the figures that you have given with regard to exports may be somewhat misleading? You quoted the exports from New Zealand to Australia: if you take out timber, fish, tallow, wool, potatoes, preserved meats, hides, fungus, and gold,

which are mostly transshipments, we get £957,985 as our total exports to Australia. Including butter, which is largely for transshipment, we get over a million of exports to Australia in items that could not possibly be affected by federation: have you looked at those figures?—I never quoted the total exports to Australia at all, and I certainly cannot accept your statement that the items you mention could not possibly be affected by federation. Besides, you talk about the re-export, but that re-export is in many cases to Australian centres, which will probably, under federation, impose a protective tariff against New Zealand produce.

1966. Do you think that wool is taken for home consumption in Australia?—No doubt some of it is, because our wool is a different wool from the average wool of Australia.

1967. And potatoes and preserved meats?—I know that both these items are largely used in Australia, and that a certain number of hides are tanned in Australia; some of the fungus is re-exported, but not all of it.

1968. Do you think these items would be affected by federation, one way or another?—Most certainly, if you do not federate, there would probably be a duty against them in New South Wales, which would reduce the quantity of our exports, if not entirely extinguish them. How could perishable goods like potatoes be shipped to Europe?

1969. Do you think that the tallow sent to Australia is for consumption in Australia?—I could not say.

1970. With regard to wheat, you do not anticipate that there will be an export of wheat to Australia?—Not a very large quantity, but there will always be some.

1971. Are you aware that New South Wales this year has 180,000 tons of wheat for export?—Has not she always had a considerable amount for export?

1972. No; for the first time New South Wales this year exports wheat. Are you aware that New South Wales, Queensland, Victoria, and South Australia are now large exporters of butter?—I am.

1973. Can we hope for a market for butter there to any great extent?—In spite of the fact that they have had butter for export, they have been taking butter from us for some years.

1974. Is that not rather in the nature of an interchange on account of the seasons?—No; their seasons are practically the same as ours, though the temperature is different.

1975. Has not the butter trade been largely developed in New South Wales in spite of free-trade?—It has been, but the high quality of the butter from New Zealand still insures a market there.

1976. I see by the statistics that in 1899 New South Wales exported 4,549,722 lb. of butter, while the total sent from here to Australia was forty-seven thousand pounds' worth, so that we do not send very much over there for transshipment?—There is always a considerable demand for butter, bacon, and hams in New South Wales on account of the superior article New Zealand produces.

1977. What do you suppose the total export of agricultural produce from Auckland to all Australia is?—I have not looked at this question as an Auckland question, but as a New Zealand question.

1978. Then, your association is not considering the effect federation would have on the association?—We are speaking as New Zealand farmers.

1979. Do you anticipate that the northern part of the colony would suffer at all through not federating?—Only in the same way as every other part of New Zealand.

1980. Are you aware that in Victoria last year the acreage of wheat and oats under crop was increased by 70,000 acres?—I have already said I am aware that Victoria is the most advanced agricultural colony in the whole of Australasia, to my mind.

1981. Do you think we should be able to export oats to Victoria under federation?—We should always raise a much greater quantity per acre than they do, and on account of our large production should always have a surplus to export to Victoria and other parts of Australia. West Australia alone in four years imported oats to the value of £425,000.

1982. Is it not a fact that now, despite their low average yield, the Victorians are large exporters to the outside world?—Yes.

1983. In that case is it not really the outside price that fixes the price at which they can produce?—No; but it to a certain extent regulates the price at which both they and we must sell. But a hostile duty would reduce the amount our farmers would receive.

1984. Have you considered this subject from the political side of the question?—No. I do not think any of us have sufficient information to enable us to form an opinion, and we are looking forward to the report of this Commission for that information.

1985. But still your judgment is of assistance to us?—I am only concerned in putting before you what I consider the fair view from the farmer's standpoint.

1986. *Hon. Major Steward.*] Whether or not New Zealand joins the Federation, do you not think that, as Tasmania is part of the Commonwealth, and also from the fact that she is so much nearer to Victoria than New Zealand, she will reduce the value of the Victorian market to New Zealand?—The difference in freight as between Tasmania and Victoria and between New Zealand and Victoria will not be very great; and, besides, you have the fact that we are equally as near to Tasmania as to the other ports, and if we were federated we would be enabled to compete with Tasmania on equal terms as regards tariffs, with the additional advantage that we have a greater production than Tasmania has.

1987. Do you not think that the fact of the nearness of Tasmania to Australia, and the fact that she can produce exactly the same articles as we do here, means that Australia is likely to get potatoes from Tasmania in preference to New Zealand?—I repeat my former answer that the difference in freight is not much, and our extra production per acre would enable us to compete successfully with them in any market.

1988. I apprehend that you are looking at the matter only from the £ s. d. point of view, as to whether it would benefit agricultural industries?—Quite so.

1989. In considering the exports, are there not certain items, such as bacon, hams, butter, cheese, and even oats, which can be sold at a price at any time in the London market?—Yes, at a price.

1990. Then, supposing you lose the Australian market altogether, and the farmer had to ship to London, the loss to the farmer will not be so great as some might think—he would almost get the same net result as in sending to Australia?—Freight and shipping expenses would be higher to London.

1991. Then, if we follow up that line of argument, he would simply have to bear that amount of loss by having to change the market?—Yes; but you must bear in mind this fact: that if you pour an extra quantity of stuff into the London market you will be depreciating your price there.

1992. Any amount we can send from New Zealand could not possibly affect the price there: is not that so?—Pardon me. What we are sending in the shape of frozen meat is affecting the price now.

1993. That item is out of the question, because it all goes to London, anyhow?—But I wish to show how the London market can be affected.

1994. Do you think that if this small amount of butter—to the amount of £47,000—which is going into Australia were sent to London it could possibly affect the general price? And also the hams?—Not in those two lines.

1995. Oats only to the value of £200,000 go to Australia?—That is something.

1996. Having ascertained, then, what was likely to be the net maximum loss to the farmers through our standing out, and supposing that through federation the revenue of New Zealand was very much reduced, and that through the loss in the Customs tariff it was necessary for us to raise £600,000 or £700,000 by direct taxation, which would mean doubling or perhaps trebling the land- and income-tax, would it be an advantage to the farmers under those circumstances to go into federation?—We have no proof as yet that it would cost that amount. When those points are proved we shall be able to form an opinion, but in the meantime we are in the dark.

MATTHEW MIDDLEWOOD KIRKBRIDE examined. (No. 170.)

1997. *Hon. the Chairman.*] You are a farmer, residing where?—At Mangere.

1998. Have you any personal opinion to give us upon the question of New Zealand federating with Australia?—Yes. Speaking as a farmer, a settler of thirty-seven years' standing, I am of opinion that federation would be beneficial to New Zealand. Seeing that our own people only consume a portion of what we farmers produce, we have to depend on outside markets for the sale of our products. We have to compete in the markets of the world; therefore it is a matter of vital importance to farmers to keep open all the markets we have now, and endeavour to open up fresh ones. I look upon it that it should be one of the first duties of the Government to assist in finding markets for our exports. We farmers depend for a living on the sale of our potatoes, oats, wheat, wool, mutton, butter, cheese, &c., and of these we poured 8,923,414 pounds' worth into foreign markets last year. Of this amount over 700,000 pounds' worth went to the Australian markets—the bulk of it to New South Wales, because of there being free-trade with that colony. A good many people have given evidence before the Commission to the effect that their industries would suffer under federation. I may be pardoned for drawing your attention to the magnitude of the farming industry as compared with the manufacturing industries in the country. Besides supplying our own wants, farmers' produce exported in 1899 amounted to £8,923,414, while manufacturers, nursed by protection, partially supplied all local wants, and only exported in the same year to the value of £378,066. The exports of manufactures in 1889 amounted to £569,000, but had decreased to £378,066 in 1899, and of this amount £282,730 is credited to flax and leather, a proportion of which, at any rate, fairly belongs to the land. If New Zealand does not federate we shall lose the Australian markets for our produce, it being morally certain that a protective tariff will be set up; such a tariff will to a great extent bar New Zealand produce, as it has largely done hitherto in Queensland, Victoria, and South Australia. With our climate, fertile soil, and average yields, we should, if included in the Commonwealth Federation, be in a position to increase our trade very largely. We should often have a market for our products close to our own doors, so to speak. Many people, the very people often who oppose federation, urge that we can obtain equal trade relations with the Commonwealth by reciprocal treaty. This, I think, is quite problematical. I do not see how we can have protection against, and reciprocity with, Australia at the same time. The very evidence given before this Commission will show the people of Australia that New Zealand is not prepared to make many trade concessions. A strong party of producers in Victoria were entirely opposed to New Zealand entering the Union on equal terms. To quote one writer, a farmer, writing to the *Melbourne Age* a couple of years ago, says, "It would be utterly impossible for the Victorian farmer to meet the competition of New Zealand in his own market. In the event of her having free entry the price of wheat would never exceed export value. Federation or no federation, the time has not arrived for Victoria to sacrifice her farmers on the altar of free-trade with New Zealand." The disinclination to reciprocate is shown, too, in the fact that, notwithstanding droughts have occurred in Victoria and Queensland, those colonies have shown no disposition to break down their tariff so as to admit outside produce. I do not see any chance of obtaining free access to the ports of Australia except by federation. Reciprocity is glibly talked of, but in view of the opposition on both sides of the water it would be more difficult to accomplish than federation. Some say that the opening of the Australian ports is of no great importance—that in England we have an equally good market for our produce. In reply to that, I may say that the English market is not unlimited in its capacity. If we pour all in there the tendency will be to lower prices. That is patent in the frozen-meat trade. The Home market

has to be carefully fed or unprofitable prices result. Besides, perishable produce goes to Australia which could not be sent to England. Freight, again, is much higher to England than Australia—oats, 3d. to Australia, 6d. to England. A home market is preferable to a foreign one. Moreover, the time may come when the Labour party in England would retaliate and insist on their goods being allowed duty-free in New Zealand. Rather a one-sided idea at present, New Zealand produce and goods being allowed free into England, and English goods being penalised here. I believe that federation between this country and Australia would give the whole of this part of the world a commercial lift which you can hardly conceive the value of.

1999. How long have you been settled in this country?—I came to New Zealand in 1863.

2000. I see you speak in your paper of its being the duty of the Government to find other markets for the produce of New Zealand: do you think that there is any chance for a market in New Zealand produce being found, say, in South Africa?—I should think so, from what I have been told, and from what I have read.

2001. Do you think Australia is likely long to continue a market for New Zealand produce?—I think so. There will always be a market in some parts of Australia.

2002. You do not think that they are able to produce what we produce and to supply themselves, or are likely to do so within a short period of time?—It does not appear to me that they can produce the quantity that we can. The question is, Can South Australia produce wheat cheaper than we can? In South Australia the average is under 5 bushels per acre, and we can produce 31 bushels per acre.

2003. Is there not a great saving in the harvesting there?—Some saving, certainly.

2004. Are you aware that South Australia harvests in a very economical manner?—Yes; they strip the crop, instead of reaping and binding it. Yet there is a good deal wasted by that system.

2005. Are you aware that Victoria is the largest market for oats?—Yes.

2006. Well, she is not likely to want any from us, is she?—If we can produce cheaper we can compete with her farmers.

2007. Taking barley, for instance: are you aware that that is successfully grown in Queensland and New South Wales?—They can in New South Wales.

2008. Do you think that they would be likely to supply their own wants, or would they still have to take it from New Zealand?—They have supplied their own wants in New South Wales in the matter of barley.

2009. Are they likely to take from us, then?—Probably, in parts of Australia. I only go on past evidence.

2010. Have you considered how the manufacturers of this country would be affected by federation, or do you think they would be prejudicially affected?—Possibly they might suffer for a time, but it would be only temporary.

2011. Have you considered how the public finances of the colony would be affected?—No.

2012. What is your opinion upon the sentimental question of New Zealand merging her identity in the Commonwealth?—I do not think New Zealand would lose her identity if she joined; and, as far as sentiment is concerned, I am very much in favour of the federation of the English-speaking race, and especially with a country so close to us as Australia.

2013. Do you see any disadvantage in the distance New Zealand is from Australia?—Well, I do not see very much in it. It takes longer to go to Dunedin than to New South Wales; and, as regards distance, we have been terribly isolated in the Auckland Province for many years, and we are still two days' journey from the capital of the colony, while we are only three days and a half from Sydney.

2014. But do you not think that the separation being by water affects the matter more than a separation by land-boundary?—Not altogether. I look upon a waterway as a grand system of communication, particularly when you have fine steamers, which are improving every year on the run. It seems to me that distance is being almost annihilated, and water-carriage is very much cheaper than railway-carriage.

2015. Do you think that the people of New Zealand generally have an intimate knowledge of Australian affairs?—I think the reading portion of the public have.

2016. Do you think that the Australians have any intimate knowledge of New Zealand?—That I do not know.

2017. But do you not think the distance affects the matter very seriously?—Not as seriously as some make out. It is a certain objection. If we were within a hundred miles of the Australian coast federation would be carried by a very large majority. Tasmania is more than a hundred miles away, but she federated.

2018. *Hon. Mr. Bowen.*] Do you consider that free-trade is essential to the farmers' interests?—Yes.

2019. And you do not consider that free-trade can be obtained in any other way than by federating with Australia?—That is my idea at present.

2020. *Mr. Roberts.*] You do not think the heavy loss of revenue which is likely to accrue to New Zealand through federation—probably £600,000—is a serious matter to face?—So far as the cost of the Federal Government is concerned, there is nothing definite about it yet.

2021. It is perfectly certain that we should lose £160,000 on sugar duties alone: is not that a serious loss to face?—I have not gone into the question, and there are so many differences of opinion on it; but if we do lose that the Commonwealth takes over certain responsibilities and expenses.

2022. But we will require to pay for it?—They pay for it out of the one-fourth of the Customs duties which they appropriate.

2023. That means we pay it ourselves, does it not?—Yes.

2024. Assuming that the total loss would be £500,000 or £600,000 to New Zealand, do you think that is a sufficient deterrent to cause us to pause before going into the Federation?—Seeing

that we cannot enter as an original State, I am not advocating that we rush into it. I think, perhaps, in four or five years' time we shall be able to estimate the cost and to form an opinion.

2025. *Mr. Beauchamp.*] Mr. Barton has assumed that he will require £8,500,000 for the expenses of the Federal Government. Upon the basis of population this means that our contribution would amount to £469,350. Assuming we have to contribute that, do you think it would affect the farmers if it were necessary to impose direct taxation to make up that amount?—It does not seem to me that it would be necessary to impose any further direct taxation.

2026. Not to make good that loss?—No. I understand that our public works in the future are going to be carried on by borrowed money, therefore we shall probably have a large surplus for years out of our ordinary revenue, a surplus larger than the sum you have mentioned as the contribution of New Zealand.

2027. But during last year especially large concessions were made upon the railways for the benefit particularly of the farming community, so that if these concessions go on it is possible that our surplus will be a diminishing quantity. We also established the penny-post, which is another concession as much to the farmer as anybody else?—Well, for my part, I think there is still very great room for retrenchment and reform.

2028. If you advocate and effect retrenchment, would you have so large a surplus?—You said that probably this year that surplus would not be forthcoming.

2029. I do not say that. I say it is possible, as years go on, it may be a diminishing quantity?—It amounts to the same thing.

2030. Would you advocate our borrowing, and practically living on borrowed money, instead of trying to live within our means?—I have never advocated that. I have always been against it. I believe we are most extravagantly governed.

2032. Have you considered the financial aspect at all?—I have to some extent, but I do not claim to be very well up in it.

2033. Supposing we are called upon to contribute £500,000 towards the cost of the Federal Government, that money would have to be found by the taxpayers of this colony, and it would be necessary, I take it, to make up that money by some other form of taxation, probably by direct taxation: do you think the benefits to be derived from the Commonwealth would be commensurate with the loss of that £500,000 per annum?—I have already told you that I am not in favour of any further taxation. I think we should go in for retrenchment.

2034. That narrows the issue down to this: that you would not advocate our federating with Australia if it was necessary to increase the taxation through joining the Federation?—I do not know. My idea is that the trade and commercial advantages would be very great, and if the cost is not too heavy it would be to our advantage to federate.

2035. But if it was necessary to impose fresh taxation to make up for this £500,000 you would not be in favour of federation?—I do not admit the necessity of imposing fresh taxation.

2036. You said you would not be in favour of any increased taxation being imposed. If it be necessary to impose other taxation to the extent of £500,000 or £600,000, would you still be in favour of federation?—I think so.

2037. You spoke of Auckland being isolated: do you think that Auckland's isolation from the seat of government has proved inimical to her interests?—I think it has sometimes.

2038. Well, if the seat of government is in Sydney instead of Wellington, do you not think Auckland will still suffer?—I do not think it would suffer any more than it has done in the past.

2039. You spoke of the Labour party advocating a duty on produce from New Zealand: do you hold with that view?—I think so.

2040. With inter-State free-trade we will admit the products from Australia free, and impose a duty on British manufactures: do you think there would be resentment in the minds of the Labour party in England at their goods being excluded?—It is very probable.

2041. Do you recognise that it will only be in times of failure of the Australian crops that our produce will be admitted there, or do you think it will always be admitted?—I do not recognise that our produce will only be admitted in times of failure. We shall always have a market in parts of Australia.

[Subsequently, Mr. Kirkbride said he did not wish to be bound down by the statement that he would favour federation even if it meant additional taxation to the extent of £500,000 a year. What he wished to say was that, as we had not entered the Commonwealth in the beginning, he was prepared to wait for the evidence collected by the Commission, and also see how the Federal Government worked for a time, before forming a definite opinion.]

EDWIN HALL examined. (No. 171.)

2042. *Hon. the Chairman.*] What are you?—Secretary of the Auckland Agricultural Association.

2043. Will you give the Commission your views on the question of New Zealand federating with Australia or not?—My views have been largely embodied in the paper that has been read by Mr. Dick, and I have but little to add to what he said. A great deal has been said to the Commission about New Zealand exports to New South Wales and Victoria, but very little has been said about New Zealand exports to other Australian Colonies. It must be remembered that there are vast areas in Australia, and particularly in West Australia, that can never compete with New Zealand in the growing of agricultural produce, and particularly dairy produce. I cannot accept the statement that Australia is compelled to take our produce at our own price in times of drought. I have seen potatoes grown in China sold in West Australia. For climatic reasons West Australia cannot grow potatoes to compete with New Zealand. Whilst I was in West Australia the people of the farm on which I was were buying New Zealand oats, butter, and potatoes, Swiss milk, and imported flour. They could not grow enough grass to keep a cow, and even working-horses had to

be stable-fed. That was during an ordinary normal season with an average rainfall for that country. If New Zealand had good communication with West Australia, and free-trade, I believe West Australia would be a large and regular buyer of our agricultural produce. Our New Zealand exports to West Australia have risen in nine years from £2,889, in 1890, to £66,321 in 1899. The West Australian farmer buys New Zealand dairy produce because the farmer here can sell it for less than the cost of raising it in West Australia. In 1897 and 1898 West Australia alone imported over two million pounds' worth of agricultural produce.

2044. Do I take it that you concur in the view expressed by Mr. Kirkbride—that from a farmer's point of view you favour free-trade for New Zealand products?—Yes.

2045. Do you think that the advantages to be derived from free-trade in respect to agricultural products will be counterbalanced by any handicap upon the manufacturing industries of the colony arising from federation?—If the growing of agricultural produce was increased in New Zealand by free-trade with Australia under federation, I take it that the extra employment thus given in growing and handling the produce would more than counterbalance any loss through a few industries being injured by competition. I cannot accept the statement made by one of the Commissioners that the number of men engaged in agricultural pursuits and the employes in factories are pretty evenly balanced. At the last census there were over 73,000 directly engaged in agricultural and pastoral pursuits, without counting the bushmen; while the number of employes in our manufactories did not exceed 50,000. It is also stated in the blue-book that at the last census, out of 154,000 persons in the Auckland Province, only 6,160 were employed in manufactories and works (excluding Government shops).

2046. *Mr. Luke.*] You estimate the home market rather lightly as compared with the foreign market, I understand?—No, I do not; we need them both.

2047. Which is of the greatest importance?—Both are important. The local market is always regarded as better than the foreign market a distance away.

2048. Do you not think that with federation the factories here would be very largely supplanted by the large firms in Australia, and that our people here would be thrown out of employment, and have to gravitate to Australia?—I think that if New Zealand stood out of the Federation the effect would be to lead farmers to gravitate to Tasmania and other places which would provide them with free access to the Commonwealth markets. I do not think the competition from Australia need make any serious difference to the number of people employed in the New Zealand cities. Wages are little, if any, lower in Australia, and I am satisfied that if the artisans in New Zealand are prepared to work for the same remuneration per hour as the farmers they could easily compete with Australia.

2049. *Mr. Beauchamp.*] You seem to regard with apprehension the possibility of a large number of New-Zealanders having to migrate to Tasmania to compete with other markets?—I think it is probable that were a duty of 15 per cent. put on New Zealand produce, and the Tasmanian farmer got that amount more for his produce than the New Zealand farmer, people would naturally prefer to settle in Tasmania, and it would thus induce settlement in Tasmania rather than in New Zealand. I am awaiting the evidence being collected by the Commission to learn what federation is likely to cost New Zealand, but I am quite satisfied it will be a bad day for New Zealand if her farmers are shut out of the Australian markets. I do not say that such a state of things would ruin the New Zealand farmers, but it would injure them, and what is bad for the farmers is bad for the whole community, for in New Zealand especially the farmer feeds the whole community.

2050. *Mr. Millar.*] A farmer is supposed to return his income if he is making over £300 a year?—No, he is not.

2051. Then, it is absolutely impossible to find out what the average farmer is making?—I have frequently tried to obtain statistics giving this information, but have not been able to do it. It might be the case that the earnings of some of the farmers exceed 6s. a day, but I am perfectly satisfied that if the farmers of New Zealand had to pay 6s. a day for all the labour which under the present circumstances is supplied by the members of their families they would have to close up altogether in some branches of agriculture.

2052. *Hon. Captain Russell.*] Were you long in Australia?—I was in West Australia for nearly a year.

2053. Were you in any other part?—I was also on the Murray River, in the Renmark fruit colony, in South Australia.

2054. You feel fully convinced, from what you say, that New Zealand can compete favourably with Australia in the production of grain and other agricultural produce?—Undoubtedly.

2055. You say you were on the Murray River: do you know anything of the fruit colony?—Yes; I stayed some months at Renmark, making inquiries as to the prospects of that industry.

2056. We had evidence that if we federated the immediate result would be that the jam and fruit industry in New Zealand would be ruined?—I think that with New Zealand's climate we could hold our own in the fruit-market under federation. Certain fruits could be better grown in Australia, but with certain other fruits New Zealand could beat them. For instance, the Queensland or Murray River fruit-grower could not grow apples or black currants, nor could the New-Zealander grow bananas to make a profit. I believe that the New Zealand wine industry might be slightly injured by federation on account of the Australian wines coming into New Zealand, but ours is only a small industry at the present time.

2057. Have you had anything to do with the fruit-growing industry in New Zealand?—Yes.

2058. What is your experience? Are there many difficulties in the way of growing fruit?—Yes; the apple-growers have lost very heavily from the ravages of the codlin-moth.

2059. Taking New Zealand from Otago up to Auckland, would you consider it a good country for fruit-growing, or the reverse?—It is a good country for growing fruit; but from a commercial point of view it is not, generally speaking, a very profitable business, because growers have to

depend on the local market. The supply exceeds the demand, so prices are often ruinously low, as we have practically no outside market to take the surplus.

2060. Would you say that the science of fruit-growing was properly pursued here?—It is not generally conducted on such good business lines as in California, where they grow immense quantities of a few good varieties, thus enabling them to fill repeated orders (of certain brands) from canning and other buyers.

2061. Do I understand you to say that fruit cannot be grown at a profit in New Zealand?—No. It depends largely on the management. I know some fruit-growers here who are very successful, and I know others who are not so competent, and who consequently are not able to make it pay.

2062. Is 1d. per pound a remunerative price?—Not for all fruits. You could not grow grapes or Cape gooseberries for 1d. per pound. You might grow apples or tomatoes.

2063. Take stone-fruits—peaches, nectarines, &c.?—They might be grown for that sum if the grower were near his market, and could thus keep down the expense of handling them.

2064. Do you know what the average price in California is?—No; but I know that their freights are much less than ours. They can send a box of strawberries a thousand miles for 1d.

2065. You think they could not do it at 1d. per pound in New Zealand?—It depends largely on what it costs to send the fruit to the market. But the New Zealand grower cannot always count on getting 1d. per pound. Our local markets are so readily glutted that tons of fruit in this province are left to rot and are never marketed at all, because it would not sell for enough to pay the freight and other expenses.

Table of Imports into Western Australia.

The value of agricultural products imported into West Australia during the years 1897, 1898, and 1899 were as follows:—

Class of Import.	1897.	1898.	1899.
	£	£	£
Agricultural produce	602,093	512,813	335,738
Fruit and vegetables	145,375	125,792	126,137
Wines	54,677	30,792	21,369
Live-stock	270,637	257,608	193,012
Farm and dairy produce	515,494	512,305	483,855
Totals	1,588,276	1,438,600	1,160,111

The above included the following items:—

Butter	12,405,559 lb.
Cheese	2,905,254 "
Meat, fresh, salted, and preserved	12,905,429 "
Bacon	6,999,312 "
Potatoes	29,434 tons.
Flour	41,794 "
Preserved milk to the value of	£206,678 "
Fresh and preserved vegetables	£46,915

N.B.—The population was only 171,032.

JAMES GILLIES RUTHERFORD examined. (No. 172.)

2066. *Hon. the Chairman.*] You are a farmer?—Yes.

2067. Residing where?—Near Bombay Settlement, twenty-eight miles from Auckland.

2068. Do you agree with the statements made by the previous agricultural society witnesses—Messrs. Kirkbride, Dick, and Hall?—Yes.

2069. Have you anything to add on your own account to that evidence?—There are one or two little matters that I do not think much has been said on. I represent the Franklin Agricultural Society, which has a membership of over two hundred. A great deal of maize is grown on the East Coast, and there is a considerable export of it to New South Wales, but the industry would be killed if there was a large duty put on it in Australia.

2070. What do you mean by a large duty?—A heavy protective duty—say, 6d. per bushel.

2071. Is there anything else you wish to say?—We have been competing with Sydney on the same terms as Victoria and Tasmania, and also with Queensland, but if we have to pay 15 per cent. duty on our produce going there Tasmania and Victoria will meet us on better terms than at present. It would kill a great many of our present exports. Much of our agricultural produce could not compete against such a duty.

2072. Was there any other matter you wished to refer to?—There was the matter of fungus. It has been stated that much of this is re-exported; but the Chinese population in Melbourne and Sydney is very considerable, and a great deal of it is consumed by the Chinese. Then, with regard to the dairy industry, I agree that it would not be remunerative if farmers had to pay 6s. per day for all the labour employed. In the Waikato dairying is generally done on shares—one man finds the land and the cows, and another man with a family finds the labour, the profits being divided.

2073. Are you in favour of immediate federation, or of waiting?—I do not think that anything is to be gained now by immediate federation. As we did not join the Commonwealth at first, I do not think that anything will be lost now by waiting and seeing how the experiment is likely to turn out.

SATURDAY, 9TH MARCH, 1901. (No. 173.)

JOHN MANNERS MORRAN examined.

2074. *Hon. the Chairman.*] What are you?—A manufacturer of mackintosh clothing and ordinary clothing in Auckland. I have been thirteen years in New Zealand.

2075. Do you know Australia at all?—Yes; I have not lived there, but I have visited Sydney.

2076. Will you tell the Commission your views as to how federation with Australia would affect the manufacturing industries of this colony?—I consider federation would be a retrograde step. I consider that New Zealand is destined to rest upon its own foundations; that we have nothing to gain by federating with Australia, and a great deal to lose. Our insular position is identical with that of Great Britain; while Japan, which is an island similar to New Zealand, has proved to the world what an insular nation can do. Australia has a very large seaboard, and in the matter of defence could not concentrate a land or a sea force at any given spot in the short time that we could, or that Japan can, and therefore in that respect she has no advantage over us, but the advantages are rather with us. Then, again, this country is blessed with a temperate climate, and if we get domination over some of the islands in the Pacific, as possibly we may eventually, we would be in a position to be independent of others, as we should produce all we required. Then, again, from the free-trade point of view it has been argued that if we federated with Australia the trade of New Zealand would go to the larger centres of Australia. When I was in Sydney three years ago I found that our trade there was mostly in the hands of the Jews, the same as it is in the Old Country, and these Jews are noted the world over for cutting down prices, and working on the lowest possible scale, and a great many of them are not over-proud as to their motives. I think you will find in Sydney that the manufacturers are not in such a prosperous condition as they are in New Zealand, as prices are so low. I found when I was there that things are made at half the price they are made at here. Trousers made from slop material can be made for 1s. 11d. in Sydney, and suits can be bought for 10s. 6d. in Sydney made of common tweed. The working-people there are not in the same prosperous condition as they are here—the girls are of a rougher order—which leads me to think that wages are not high over there. If they are as high as ours they must have improved facilities and better machinery than we have in this country. To sum the matter up, I consider the clothing-manufacture trade in this country would be simply annihilated by federation.

2077. Would that apply to the boot trade?—I do not know anything about that trade, but I can see the result will be very similar as to the clothing, as the wholesale houses would purchase their goods in the cheapest market; and at the present time goods can be made very much cheaper in Sydney than here, and there is less trouble there in securing the leather than there is here.

2078. Supposing federation were an accomplished fact, and your views correct—that the manufacturers would go to the wall in New Zealand—what effect would that have upon a city like Auckland?—I suppose there must be over a thousand girls employed in Auckland now in the clothing trade, which would be destroyed.

2079. What effect would that have upon the population of the place?—They would have to find other fields for their labour, or else would have to go to Sydney to get work.

2080. Do you think that population would be attracted to New Zealand or Australia?—Federation would have a tendency to depopulate New Zealand. The clothing trade is now distributed in the four centres, and the natural law is for wholesale trade to centre in one place, and if that place happened to be Sydney or Melbourne the whole of our trade would go to Australia. In some instances, though protected by a duty, it is cheaper to import some lines from England and to pay the duty than to make them here. This Government has been fostering the manufacturing interest, which would be ruined by federation with Australia.

2081. Would it not be a benefit to the farmers of New Zealand if we federated?—I cannot venture an opinion on that point; but I am assured by people I work for that I would have to close my premises because of the heavy quantities of stuff from the other side, which would stop manufacturing in my line.

2082. *Mr. Roberts.*] You know that Western Australia has got an arrangement by which she is allowed five years to adjust her tariff to that of the Federal tariff: if a similar arrangement were made in the case of New Zealand, do you think we could then federate with advantage?—You mean, if some arrangement were made to protect our industries?

2083. If the tariff were so adjusted that it would take five years to assimilate it with the Federal tariff?—After five years you would still be subject to Australia as regards the tariff.

2084. But anything that would affect our trade would affect theirs too?—Yes.

2085. Then, you do not think that any similar arrangement would do you any good?—It would only be putting off the evil day for five years.

ANDREW JACK ENTRICAN examined. (No. 174.)

2086. *Hon. the Chairman.*] What are you, Mr. Entrican?—A merchant in Auckland.

2087. Have you considered the question of New Zealand federating with Australia or not?—Yes; I have given it a little attention.

2088. Have you read the Commonwealth Bill?—Yes.

2089. What conclusion have you arrived at?—I think the Government in New Zealand made a serious mistake in not allowing New Zealand to be represented at the framing of the Commonwealth Bill. On account of the proximity of New Zealand to Australia it would have been wise to have sent our Premier to represent us on that occasion, whether New Zealand afterwards decided to come into the Commonwealth or not. It would also have made the way clear for us if we afterwards wanted to go into the Federation, by enabling us to obtain certain concessions such as were procured by Western Australia and Queensland.

2090. But that not having been done, what do you say?—It alters the position considerably. I am strongly in favour of federation, and I think, seeing that this opportunity has been neglected, we shall not be able to federate on as good terms as we might have done.

2091. What are your reasons for advocating federation?—In the first place, I look upon this country as being essentially an agricultural and pastoral country, and an open door in Australia is about the very best thing that an agricultural and pastoral country can have, as it will mean a very large increase in our exports to Australia, which is the natural market for them. Our experience of free-trade in New South Wales has proved very conclusively that a general free-trade policy between all the colonies would be the means of materially increasing our agricultural exports. Then, I think there is always a great advantage in being federated with a larger community, such as Australia is bound to become.

2092. You are aware that Australia exports a good deal of agricultural products at present?—Yes.

2093. And that as population increases there they will be able to supply all their own demands?—The settlement has been principally on the coast, where the climatic conditions are always good, but the interior of Australia will not be able to compete with us in the supply of cereals.

2094. Is there any other advantage that we should derive from federation, in your opinion?—From a manufacturer's point of view I cannot see that we have anything to fear from it.

2095. You do not share the fear that the large manufactures would gravitate from here to large centres in Australia?—Decidedly not.

2096. You mean that our manufactures in New Zealand would progress in competition with those in Australia?—Yes; I think we ought to take care in a young country like this that natural industries have an opportunity of developing, but we have in this country industries that are unnatural, which have been bolstered up by protection, and which should not be encouraged.

2097. Can you name one?—Yes. I would name starch-making, which is not a natural industry, simply because we have to import the raw material from which the starch is made; and until the last revision of the tariff a duty was imposed even on the raw material. The whole community was taxed 2d. a pound on starch, which was equal to 100 per cent., to keep ten or twelve men employed in starch-making.

2098. Are there any disadvantages which occur to you that would arise from federating?—A few small industries no doubt would be killed. Wine-making would be practically killed in New Zealand; but it is a very small industry, and I do not think for its sake we should stand out of the Federation. Most of the people engaged in the wine industry are also engaged in fruit-growing, which no doubt they would then pay more attention to.

2099. What do you think of the sentimental question, as to New Zealand retaining its independence?—I do not think there is very much in that. I think we should retain our independence to a great extent. We shall still have our own Parliament, and shall remain a local-governing country; and at the same time there is nothing to hinder us retaining an individuality as a nation, even if we are connected with the Commonwealth.

2100. Do you not fear that the powers of our local Parliament will be curtailed by the Federal Parliament?—I think that is pretty well provided for in the Federal Bill. I do not think there is any fear of our individuality being interfered with further than is sketched out in that Bill.

2101. *Mr. Millar.*] You say you do not believe in bolstering up industries unless they are natural: what do you call a natural industry?—I include in that term all industries where we have the raw material within ourselves, such as the woollen industry, which is a natural industry of the country.

2102. And the boot trade?—Yes, decidedly. We ought to be able, as far as the leather trade is concerned, with our climatic advantages, to turn out hides of very much better quality than in Australia, and we ought therefore to make better boots.

2103. Are you aware of the reason why they cannot turn out leather here of the same quality that they can in Australia?—No, I am not. I would like to be enlightened on that point.

2104. The reason we have assigned to us is that, in order to get leather thoroughly well tanned, it requires to remain a long time in the pit, which means a large amount of capital lying idle, and the tanners here have not that capital to enable them to leave the leather in the pit long enough?—Why, we have been told over and over again by the Premier that the country is full of money, that the money is being locked up in every possible and conceivable shape in this country—in fact, the coffers are overflowing—and if the tanners are not able to get capital there must be some other reason at the bottom of it.

2105. Then, the clothing trade would be a natural industry, seeing we have the raw material?—Yes, I think so.

2106. So would the bulk of our manufactures, with the exception of the iron trade—I presume you would not include that in the natural industries?—No.

2107. Is it not as well for us to produce our own machinery here, and thereby find employment for our own people?—Decidedly; but, still, the question is whether it is wise to pay so much more for your machinery; and it is a question whether a great many of these men would not be better engaged in another occupation.

2108. *Mr. Beauchamp.*] Is it not a fact that this part of the colony is specially suited to grape-growing?—I am rather inclined to think that the southern part of the colony is just as well fitted for grape-growing. I was informed on very good authority that they could grow grapes in Nelson and Central Otago just as good as in Auckland; but I do not think it possible for us to compete with Australia in grape-growing.

2109. Is it not a fact that some countries are dependent entirely on wine-making?—Quite true.

2110. And that in future it is likely to be a very important industry in this colony?—No.

2111. We were informed that in this part of the colony there are tracts of land that are not worth anything but for fruit-growing?—There is a large portion of land here which is only fit for grape- and fruit-growing, the holders of which might be affected to a very small extent by importations of fruit from Australia, but those affected would recover.

2112. *Mr. Luke.*] You said you thought the iron industry was an unnatural industry of the colony: what would you propose to do in connection with repairs, supposing all the iron-foundries in New Zealand shut up?—I consider a certain amount of iron industry is absolutely essential.

2113. Can you conceive of this: that you could not get an establishment in New Zealand that is dependent entirely on repairs?—I am inclined to think we have a good many iron-foundries that are nearly all depending on repairs.

2114. Would you be surprised if told that not one-tenth depend on repairs?—That might be true with regard to the South, where a large amount of new work is being done on the dredges, but I doubt if it is quite so true of Auckland.

2115. Do you not think that by far the bulk of the trade in Auckland is the manufacture of new machinery?—No doubt about it.

2116. Can you conceive of the smallness of the shops and the smallness of the plants you would have if you were to depend entirely on repairs?—I do not know. I have always found that if there is anything wanted there are always plenty of people ready to do it.

2117. Is not that due to the fact that for fully two-thirds of their time they are engaged in manufacturing new machinery?—I do not think so. I said a certain amount of that business was absolutely necessary. I do not class it altogether as an unnatural industry.

2118. Is it not as much an unnatural industry as some others, seeing that all the raw material has to be imported?—Coal has not to be imported.

2119. No; but the iron, which is the raw material, has to. Coal is a necessity, and we have it on the spot?—It is just as much part of the raw material as iron-ore.

2120. *Mr. Reid.*] Would you advocate immediate federation with Australia?—My opinion is that New Zealand even now would not be admitted as an original State.

2121. She could not now be admitted as an original State except as an act of grace on the part of the Commonwealth. Do you propose that we should federate at once, or wait until we have a better opportunity of judging?—I think, the sooner the better, and the better the terms we shall secure.

2122. Do you think the same trade advantages which you advocate could be secured by a reciprocal treaty in regard to our products?—That is a thing I cannot understand—the advocating of a reciprocal treaty. To my mind, it simply means that if we had free-trade it would be a benefit to New Zealand; at the same time we object to pay our share of the cost of the Federal Government, while wanting to secure all the advantages of federation without any cost to the State, and I do not think it is possible to do so. I think the people of New Zealand ought to have the opportunity of expressing their opinion on the matter. I believe in the referendum, but I think we want a little more education before the referendum is taken.

2123. *Mr. Leys.*] When you say that only the coast-line of Australia has been settled, would you include the whole Colony of Victoria, for instance, as a part of the coast-line?—I think perhaps you misunderstood me regarding that matter. I say that the part of Australia that competes now with New Zealand as a producer of cereals, which are our principal agricultural product, is the coast. The bulk of that produce comes from the coast.

2124. But Australia is such an enormous territory—larger than Europe: what do you call the coast-line? Would you call the whole Colony of Victoria coast-line?—Yes, nearly all of it, because Victoria has not a very great depth from the coast-line.

2125. Is not Victoria almost larger than New Zealand; and has it not quite as large an agricultural surface as New Zealand?—I cannot exactly say what the area of agricultural land is.

2126. Are not there very extensive districts of agricultural land in New South Wales?—But those are largely on the coast.

2127. Is not the same true of South Australia—that also is a large agricultural country?—Yes; it produces a large amount of wheat, which is about the staple production there.

2128. I want you to point out what you call the coast-land in a vast country like Australia?—Take the butter industry: we know all the dairy factories in Australia are on the coast, and the bulk of the farmers who support them are on the coast—all within a hundred miles of it.

2129. I suppose you know that Victoria, South Australia, New South Wales, and Queensland are all large exporters of butter now?—Yes.

2130. And you know there is a very large surplus in grain available for export from Australia?—Yes.

2131. What do you think is the principal produce we shall be able to export there?—I think, everything. Take butter: we have proved conclusively that the quality of New Zealand butter is very much superior to the quality of any Australian butter.

2132. Is it superior to the Victorian butter?—Yes.

2133. Does it command a higher price in the London market than the Victorian?—Yes; it commands the highest price next to the Danish butter; it is quite equal to Danish.

2134. Is it not a fact that Victoria is a larger exporter of butter to London than New Zealand?—I do not think so; I think New Zealand exports more butter than any of the Australian Colonies.

2135. What items do you say you think we would export to Australia?—Butter and cheese largely. I think Australia has been the best—in fact, the only natural—market we have had for bacon and hams, which I do not think it possible to ship to the Old Country, excepting in the form of pickled pork in casks; at any rate, it is not so profitable as shipping bacon and hams to Australia, where there is always a splendid market for them.

2136. I think we might expect that Australia will have an increasing production in those respects. We have had evidence from a number of millers, and some grain dealers, that in all probability considerable quantities of wheat and flour would come to the North Island from Australia: does that look like an advantage to the New Zealand farmer?—I dare say a small quantity of South Australian wheat would find its way here, simply because South Australia produces a finer quality than we do, and they find that mixing it with New-Zealand-grown wheat makes a superior class of flour. Therefore a small proportion of that wheat would be imported to this colony.

2137. Have you considered the effect of federation on sugar-importation?—Yes.

2138. I suppose you know that £165,000 is now paid in duty?—Yes.

2139. But that if we federated Queensland would ship sugar in here without duty?—Of course, we manufacture now a large amount of sugar in New Zealand, and the bulk of that comes from Fiji. You would still have a duty on that sugar.

2140. But if Queensland could ship in here free of duty, should we still import sugar from Fiji?—Well, that is a grave question; but, supposing sugar were absolutely free, the loss of the taxation is not, after all, a loss, because people would have $\frac{1}{2}$ d. per pound reduction on sugar, and would have the money in their pockets.

2141. Would not that taxation have to be made up in a direct way?—Supposing the incidence of the taxation were made to bear equally, the people would be no worse off.

2142. How would federation affect our island trade?—I believe the island trade would be very seriously affected if we stand out of the Federation. At the same time the bulk of the trade is from Fiji, and Fiji would have everything to gain by joining the Federation instead of joining New Zealand; and if they did join the Commonwealth it would cut out the business we do at present with Fiji.

2143. You know that Queensland is producing practically the same products as Fiji, and it has an enormous sugar-production now: would not the Fiji trade, under federation, be cut in two if Queensland were to ship in here?—No, I do not think so at all.

2144. What else could Fiji send in here but sugar?—There is no reason why the Fiji sugar industry should be affected at all.

2145. You are assuming that Fiji is coming into the Commonwealth?—No. Supposing you took away the duty on sugar altogether, it will not make any difference to the manufacturers of sugar here.

2146. Not if Queensland were to ship in free, and Fiji had to pay a duty?—They have to pay the duty on the raw sugar now.

2147. But they would not if we were federated with Australia?—If we were federated we could allow the Fiji raw sugar to come in free. We could easily arrange that.

2148. But we should have no control over the Customs and excise?—No; but Fiji would be outside the Commonwealth.

2149. The Customs and excise will be a Federal matter?—Yes; but at the same time there is no doubt that a protective duty would be put on sugar under the Commonwealth, and, Fiji being outside the Commonwealth, the raw sugar coming in from there would have to pay a duty.

2150. Well, under those circumstances would not Queensland command the whole of the Australian market?—Yes.

2151. That being so, would not it hurt our trade with Fiji?—Not in copra, fruit, coffee, and Manila beans, and several other things.

2152. Are those large items in that trade?—Yes. They are the products of the islands that come here regularly.

2153. From Fiji?—Yes; and from the other islands of the Pacific.

2154. Does a large quantity of copra come from Fiji?—Yes; and a little arrowroot.

2155. Do you think the same number of steamers would be maintained on the line if the sugar-importation from Fiji were destroyed?—Yes, I think so; because the bulk of the raw sugar that comes from Fiji is not brought by the ordinary means of communication, but by tramp-steamers, which are sent down with coal from Newcastle, and come back with the sugar. The ordinary monthly steamers bring a small quantity of sugar, but it would not interfere with the ordinary steamers if the sugar were stopped; I am sure they would run just the same.

2156. *Hon. Major Steward.*] I understood you to say that starch was not a natural industry, and that the raw material was imported?—Yes.

2157. Is it not a fact that starch is largely made from potatoes?—Yes; you can make it from potatoes.

2158. Is it not also made from wheat?—Yes.

2158A. Then, there is material in the country for manufacturing starch without importing it?—Yes; but you cannot make the people use it.

2158B. What is the material that is imported for making starch?—Rice.

2159. It is the rice-starch that is superior?—The British people will not use anything else. We have tried all we can since the starch industry was established to get the local starch used. In fact, when the industry was established I believe it was the intention to try and make starch out of wheat, maize, and potatoes; but, while the American people will use wheat-starch, the British people will not.

2160. But in this colony do they share the prejudice of the British people?—Yes.

2160A. Will the people here not use potato- or wheat-starch?—No.

2161. *Hon. the Chairman.*] Do you look upon candles as a natural industry?—Yes.

2162. Would that be affected by federation?—I do not think so at all. I think our climate and raw material are much superior for the manufacture of candles than the Australian climate and raw material.

2163. *Mr. Beauchamp.*] Is it not a fact that companies at the present time are simply struggling for existence with a protective duty of 1d. per pound on candles?—Yes; but, although I answer that question in the affirmative, it does not give the correct answer, because you must remember that a certain quantity of paraffine-wax candles are manufactured, the paraffine for which has to be imported, and there is a protective duty on it.

2164. But they reduced the duty on paraffine by 50 per cent.?—Yes, lately.

2165. By abolishing the duty on paraffine-wax, do you think the candle industry could be maintained?—I am quite satisfied that it would.

2166. You have not heard that already, with a duty of 1d. per pound, *plus* the transit-charges, we are threatened with competition from Australia?—No; but I do not fear it at all.

2167. *Hon. the Chairman.*] Is there any other matter you would like to mention?—I would like to read an extract from a speech by Sir George Grey on the question of federation. He says, "To federate with Australia would hold out many advantages. In the first place, free-trade between New Zealand and the Australian Colonies would give to the whole of this part of the world a commercial lift which you can hardly conceive the value of. I firmly believe that both colonies would go fast ahead. Just remember our isolated position in the world. We have no nations to the south of us: the whole of that immense part of the globe is unoccupied; we have no one to trade with in our immediate vicinity. But each of these two countries produces exactly what the other requires, and the populations are increasing rapidly; and I say that the traffic of four millions of people with one another would produce mercantile wealth the importance of which you can hardly estimate. These facts all furnish strong arguments in my mind in favour of union upon proper terms."

2168. You cannot tell us when that speech was delivered?—I cannot; but it appeared in the *Review of Reviews*, September, 1899. Another matter I wish to mention is in regard to manufacturing—that is, the advantage of having four millions to supply instead of three-quarters of a million, as at present; and it is always held that the cost of manufacture of any article is just in proportion to the amount of production. If you have a large output you must have a large number of people to consume it, and therefore, in having four millions of people to supply instead of three-quarters, you will have a larger market, and thereby cheapen production. With regard to the objection as to distance, I might point out that we can put goods into Sydney from Auckland cheaper than we can send them to Nelson. It seems to me that distance counts for nothing there. We can put stuff into Sydney as cheaply as Melbourne or South Australian people can.

WILLIAM ATKIN examined. (No. 175.)

2169. *Hon. the Chairman.*] What are you?—A coachbuilder in Auckland.

2170. How long have you lived in New Zealand?—Thirty-six years. I am a colonial.

2171. Have you considered the question of New Zealand federating with Australia?—Yes. As a broad principle, I am in favour of federation, but under present circumstances I am opposed to it. We are, as a colony, too weak to federate, as our identity might be merged in the greater country of Australia. From a manufacturing point of view America is our greatest enemy. Australia we do not fear, nor is it a field of export for us; but the American manufactures are so huge that when we talk of removing the duties the question comes home to us very strongly. The two questions of the tariff and the labour laws are our bugbears. I consider that a 10- or 15-per-cent. tariff for the federated colonies would be no assistance to us as against the American competition, because New Zealand would then be made the dumping-ground for cheap American manufactures, and in my own trade America has had for many years the largest manufacture of carriages in the world. Where we turn out one and two hundred, some of the factories there have a capacity for turning out thirty and forty thousand vehicles per annum. I also notice that for the first time American exports are greater than those of England, so the position we occupy as carriage-makers is a very weak one as compared with the huge competitor we have in America.

2172. How do you think other manufactures besides your own would be affected by federation?—They would be put in the same position as ourselves. We are bound down by labour laws, and we cannot compete with the cheap labour or the immense production of larger countries.

2173. I thought you said that you were, broadly speaking, in favour of federation?—I was referring to the political aspect—to the wisdom of federating the whole of the English-speaking race. I look forward to the time when all sections of our race will have to federate, and when that time comes, as to how commercial affairs will be taken I do not know.

2174. Do you think New Zealand will be better able to help on that Imperial federation by federating with Australia than by remaining independent?—By remaining as she is at the present time.

2175. Have you considered how the agricultural interests would be affected by federation?—Yes; and it seems to me that it is a pity that this Commission was not empowered to draw up some scheme whereby we could increase our population, because that is the greatest want we have at the present time. For some years past the agriculturists of this colony have been working up an export trade with England, and that trade is a better one for them than the Australian trade; and I cannot see that it will be any greater if we did federate than it is at the present time. Therefore we should stick to England, as it is our best market.

2176. Do you believe that the Australians will be able to supply their own requirements, or will they have to draw their supplies from New Zealand?—I feel they will supply their own requirements.

2177. Is there any other matter that you wish to state that you have not been examined upon?—Yes. Mr. Masefield was asked a question about the railway-cars, and I think he said he had not been asked to go into the question of price by the present Government. I may say that we had been asked, and we have letters saying that designs and particulars of carriages required

would be forwarded to us to give us an opportunity of quoting; but those particulars never came to hand, and immediately afterwards the carriages were ordered from America, and we had no opportunity of competing for the contracts.

2178. Do you think that the local manufactories could compete successfully with America in that respect?—I do. I might say, further, that we have gone into the question of tram-cars very closely, but we do not know what will eventuate in that respect yet.

2179. I understood you to say that the carriage trade would be swamped from America with federation?—I might have qualified that by saying not in respect to the high-class vehicle. The duty at the present time is absolutely insufficient to prevent America coming in with cheap lines of vehicles.

FREDERICK MASKELL KING examined. (No. 176.)

2180. *Hon. the Chairman.*] What are you?—Manager of a clothing-factory.

2181. Have you considered the question of whether New Zealand should federate with Australia or not?—Yes.

2182. What are your views on the matter?—I appear before this Commission for the purpose of speaking against federation. I believe the time is not far distant when the masses of the people of this colony will be strong advocates of a free-trade policy, while the natural trend of Australian legislation will be towards protection. In a large country like Australia it pays the monopolists to band together to control legislation for the purpose of fostering their monopolies. Perhaps the best example of this is seen in America, where large sums of money are spent at election-times for the purpose of returning to power men who are pledged to support a policy which will enable the monopolists to get an undue amount of profit out of the consumer. By a combined effort they can sway the whole Legislature in their own interests, while in a small country like our own the monopoly of supplying any given commodity is not inducement enough to warrant such expenditure. It should always be remembered that the wailings of a few who might be temporarily injured by a free-trade policy can always be heard above the rejoicings of those who would permanently benefit, and, from the speculator's point of view, it would be worth the expenditure of large sums in the form of election bribes (as in America) for the purpose of holding a monopoly of any commodity throughout the whole of Australia. I have shown why legislation in Australia will probably trend towards protection, and, however loudly the consumers might complain of the oppression by the monopolists, it would be almost impossible to free this country from the curse of protection. The fact appears to be lost sight of that the finished article of one trade is the raw material of another, and that if the price of one commodity is increased it increases the cost of production of other commodities; for instance, a boot is the finished article of the bootmaker, but the farmer must have boots while ploughing, therefore if the price of boots is increased the farmer should get more for his wheat; but the price of wheat is controlled by the London market, and therefore the farmer has to pay a higher price for his raw materials (in the item of boots), but to take the lowest price for his product, wheat. Next comes the question of labour legislation. This colony has recognised the fact that labour should get a greater share of the product of labour than it has done in the past. Now, let those who advocate federation show how federation can benefit labour. We will suppose that the trade of this colony increased tenfold; for every shilling that labour gets the labourer would have to do a shilling's worth of work; but the result of increased prosperity would be increased land-values, and increased land-values would mean increased rents drawn from labour; therefore the benefits of increased trade which might come from federation would pass into the pockets of the landowners and speculators, who would grow wealthy, while living in idleness, by the industry and enterprise of the more industrious colonials. Another instance to show the absurdity that federation would benefit the masses of New Zealand can be found by inquiring into the effect upon our coal-mines. If federation caused an increased demand for New Zealand coal, it would only have the effect of increasing the value of the shares in the mines—that is to say, the monopoly value would be increased. The same could be said of any of the other New Zealand products—viz., wheat, oats, wool, kauri-gum, and timber—for if the demand for these products were increased the value of the land upon which they could be produced would also be increased; therefore the owners of the land would get whatever benefit might come to New Zealand through federation, while the return to labour would be a bare subsistence, the rate of wages being regulated by competition among the labourers themselves, which competition would not be decreased by federation. Then, there is the question of future reforms. A demand might arise among the people of New Zealand for an alteration in the Commonwealth law, for which the advanced people of New Zealand might see the necessity; but before its adoption, and before any alteration could be made, it would be necessary to educate five million people at a distance of more than a thousand miles. I do not think the question of federation should be approached in a narrow and personal sense; the question whether A can sell a few more boots, or B another pound of butter, or C an extra case of apples, is to put this great question on an absurd basis. The question is, Will federation benefit the workers of New Zealand? I believe it will not under the protection policy of United Australia. I believe this country has a great future before it, and that under a wise administration it is destined to become the Britain of the South, and that the time is not far distant when the people will demand free-trade and free-production. The former is impossible without the latter, and the latter is not possible till the people of this colony get equal access to the natural opportunities of the country.

THOMAS MACFARLANE QUINN examined. (No. 177.)

2183. *Hon. the Chairman.*] What are you?—A grain and produce agent. At present I am not working. I have come over from Australia for the benefit of my health.

2184. How long have you been living in New Zealand?—We came to New Zealand in 1883. Then, after trading with the South, I went over to Australia with some agencies and commissions in 1891 and 1892. I was there again in 1894, and again for the last few months.

2185. Have you been in business there?—Yes; dealing in produce and the New Zealand trade.

2186. Have you considered the question of New Zealand federating with Australia?—Yes, for the last ten years.

2187. What is the conclusion at which you have arrived?—I have arrived at the conclusion that it would be to the best interests of New Zealand to federate.

2188. Why?—I look on it that in some lines we will secure a better market for our products, and that we would become as an inter-State a member of a continent. At the present time we seem to have as many manufactories as we require for our agricultural population, and I do not think that trade has been extended as it should have been. In working the trade on the other side I find in oats and other products that it is too speculative in New Zealand to be worked satisfactorily by merchants on the other side. If they had been satisfied to buy on a fairly steady market, or to secure supplies all the year round, I am of opinion that the market, instead of representing 15 per cent. of our total trade, would probably have been 30 per cent.

2189. Are you aware that Victoria is a very large exporter of oats now?—Certainly, I am.

2190. What hope is there of New Zealand supplying Victoria with oats?—There has been none since 1894. I may say that we are all in the produce trade in various parts of New Zealand and Australia, and it has been to our interest to ascertain whether our business and private affairs would be best benefited by federation or not.

2191. Have you considered federation from your own point of view, or from the point of view of its effect on the whole colony?—Its effect on the whole colony.

2192. Will the wheat trade be benefited by federation?—Australia can produce wheat at 2s. 6d. per bushel, and I think that New Zealand, with an average yield of 30 bushels, against Australia's 8 to 12, ought to be better able to accept 2s. 6d. than the Australian farmer is.

2193. Do you think that the economy in the harvesting arrangements in some parts of Australia compensates for the increased cost of carriage from here to Australia?—I do not think that wheat would go from here to Australia. I understand from business-men in the trade that there will be better shipping arrangements, and if they find a market in the East, or any other part of the world, the New Zealand farmers will benefit by the shipping facilities and better accommodation.

2194. How would New Zealand share in these facilities?—Because I understand that if we federate with Australia there are firms in Australia anxious enough, in the course of a few years, to take their produce from New Zealand.

2195. Then, you are in favour of federation?—Yes.

2196. *Hon. Captain Russell.*] Have you considered the question of federation in the light of the future—how it will affect us, say, fifty years hence?—Yes; I believe that New Zealand will be to Australia much what Denmark is to the British Kingdom, so far as oats and some other form of products are concerned; and, also, if we are shut out of federation we are in nowise likely to get a reciprocal treaty. From what I know of Victoria I am quite certain they will do their utmost to handicap us in the competition for oats and other things they are interested in. It may harm some of our manufactures; but if Victoria can compete with us in boot and some other manufactures, I advance the theory that we are more able to compete with them in products that are of more value.

2197. Do I gather from you that you think there is an antagonistic feeling in Victoria against New Zealand?—Victoria has consulted its own interests by erecting a barrier against our produce which has enabled its farmers to compete against us in grains, hams, bacon, and several other lines. Under federation, what I reckon to be a 25-per-cent. profit would accrue to us in drought seasons. At present New Zealand has to compete with the world in drought seasons, but under federation we would secure that 25-per-cent. preference.

2198. *Mr. Beauchamp.*] Is it chiefly on account of the trade we are likely to do with Australia in hams and bacon that you would recommend us to federate?—Not at all. It is not to my interest that New Zealand should federate, or to the interest of my family as a whole.

THOMAS BRAZIL DINEEN examined. (No. 178.)

2199. *Hon. the Chairman.*] What are you?—An electrical engineer.

2200. And I believe you are one of the members of the council of the Australasian Federation League?—Yes, of the Auckland branch.

2201. And I may take it you have given considerable attention to the question of Australian federation?—I have been a Federationist for the last twenty-five years, and have given a lot of attention to the matter.

2202. Have you considered the question of New Zealand federating with Australia?—More from a sentimental point of view than from a trade or financial point of view.

2203. Perhaps the shortest way would be to ask you to give your views as concisely as you possibly can?—You will see, according to the reports I have handed you, that the executive cost of federation will be £500,000, including 10 per cent. for contingencies. Exclusive of New Zealand, the cost of federation would be 2s. 6d. per head of the population; allowing four million people for Australia and one million for New Zealand, the cost would be 2s. per head, giving a saving to Australia of 6d. per head, or £100,000 per annum. According to Sir Samuel Griffiths, the cost will be £300,000, which will be 1s. 6d. per head of the Australian people, exclusive of the people of New Zealand; and including New Zealand, 1s. 2½d. per head, allowing New Zealand to have a population of one million. By that estimate Australia would save by New Zealand joining £60,000 a year.

2204. I think we want you to show us what advantages there will be to us through New Zealand federating?—Well, I have handed you in a leaflet which gives my views in a condensed

form. That leaflet is as follows: "Federation is a voluntary association of States, electing a common Government and Parliament to legislate on matters of joint national importance, and such other matters as are at present beyond the jurisdiction of the individual States which, as a greater power, it can undertake. Federation is not unification, as each State retains its present independence and form of government, and surrenders only matters of national importance to the Federal Government. Federation protects the rights of the several associated States by giving each State an equal voice in the Upper House of Parliament, and also insures the rule of the majority by giving representation in the Lower House *pro rata* to the population. The Federal Government is bound to protect States from both internal as well as external violence. Federation will protect and help to develop local industry by establishing a protective Customs tariff against the outside world, and by giving a population of four millions as customers to us, against our present New Zealand population of 750,000. Federation gives free-trade as between the States, and will open the markets of Melbourne, Adelaide, Brisbane, Perth, and all other Australian ports to the producers of New Zealand, who, in consequence of cheap ocean freights, will have greater advantages than the local Australian producer, who is hampered by heavy railway freights. Federation will not swamp the New Zealand industries. Wages in Australia are as high, and in many cases higher, than in New Zealand. There is abundance of cheap water-power now wasting in New Zealand which is not procurable in Australia, and cheaper power means cheaper production, superiority in competition, and consequent increase of labour employed. Federation will not cause extra taxation or increase the cost of governing, as the saving effected by combining services under federation, and the better credit and stability given to the various State Governments, enabling advantageous conversions of public loans, will more than counterbalance any loss from Customs between the States, and the small individual expense of the Federal Government. To sum up, federation gives—(1) National combination and stability to the States; (2) preserves free local independence to the States; (3) gives full representation to each State in the Federal Parliament; (4) insures the defence of the States; (5) as applied to New Zealand (which by reason of its soil and climate and by reason of its water-power and water communication has special advantages over Australia), gives the strong pecuniary advantages of—(a) Free markets in Australia and prompt returns as compared with outside markets; (b) protection against the rest of the world; and finally (6) federation gives all advantages with no risk of-increase of burdens on the people. Compared with the other States of the Confederation, New Zealand has everything to gain and nothing to lose by federation. If it joins, with its natural advantages of climate, soil, scenery, wonderland, and power, New Zealand will become the most prosperous State in the Commonwealth, and will take a leading position in the Confederation. If it does not join, New Zealand will be hedged round from all Australia by the tariff fence; it will lose its nearest and best markets; it will be hidden in the shadow of its more powerful competitor; and, as a smaller Power, will be but a bad second to Australia. In fact, federation in New Zealand's case means prosperity, success, and power. Isolation means neglect, decadence, and weakness."

2205. *Hon. Captain Russell.*] I understand you are an electrical engineer?—Yes.

2206. Do you imagine that the manufacturers of New Zealand will obtain motive-power at a cheaper rate than the cheap coal of Australia will give?—Yes, very much so. Electricity in the near future will be pretty well the sole motive-power.

2207. You think, then, that under the circumstances we will be able to compete favourably in all manufactures?—More than favourably.

2208. Do you agree with the argument put before the Commission very frequently that owing to federation we would not be able to manufacture so economically in New Zealand?—I do not think there is anything in it. There is no reason why we should not manufacture here better than in Australia, for we have a climate here favourable to hard work. For three months in Australia a man engaged in labour has to be continually mopping his face, and he loses thereby a lot of time in his work. That does not occur here.

2209. Do you know Australia yourself?—Yes; I have lived there for a matter of twenty-nine years.

2210. Then, do you think that the New Zealand workman has greater powers of work than the Australian?—No, I do not; but I think, if the New Zealand workman likes, he can work harder than the Australian. The New Zealand climate is very much more favourable to hard work than is the Australian.

2211. Will a residence for three or four generations in that hot climate affect the powers for work of the Australian workman?—It is bound to affect it in some degree, but, Australia and New Zealand being new countries, we have no practical means of estimating to what extent it will be affected. I do not think the rising generation of Australians are quite up to the stamina of the people of New Zealand.

2212. You think there is a definable deterioration in the Australian-bred youth?—As far as physical matters are concerned, I think there is a slight deterioration.

2213. Is there any marked difference in the powers of work in the people who live in Queensland and those who live in other parts of Australia?—There is a marked difference, and it is to be especially noticed in the women. In Victoria the women are plump, rosy, and robust; whilst in Queensland they are yellow, and not so plump as in the southern parts of Australia. They are not so strong, in fact.

2214. Though not so plump, their vital energy may be greater?—No; they are more subject to anæmia in Queensland.

2215. Do you think that Queensland will be a country for white men to work in?—No, I think not. I would as soon live there as in any other part; but I would not like to work there.

2216. Do you think that white people from generation to generation will be able to live and work there?—Without an infusion of new blood they will decidedly deteriorate.

2217. What labour do you think will be used in Australia?—That question has already been decided so far as Queensland is concerned—that white labour must be used there. Black labour is practically done away with, although, of course, a large number of kanakas are there at the present time. I may say that there is nothing in the labour bogey in Australia. The kanaka as a workman cannot be any terror or fright to the white workman in any shape or form whatever.

2218. In the course of, say, a hundred years do you think the labour in tropical Australia will be white or black?—I think in the course of fifty years it will all be white.

2219. And you think that white people will be able to labour persistently in the tropics?—I think there must and will be an infusion of fresh blood.

2220. Let us suppose that there is no infusion, or only a slight infusion?—Then I would not like to say what would happen. I do not think the European production in the northern parts of Queensland would be a very nice race. I think they would deteriorate, but perhaps not to any extent in one hundred years.

2221. If there is to be deterioration, is that a matter to be taken into consideration before we federate?—I do not think it would affect New Zealand, at any rate. It is principally kanaka labour that is introduced there. Latterly there have been a few Chinese, but that will be prevented by the Federal Government.

2222. Then, you think the law of nature, which throws a great disability in the way of European workmen in Queensland, will not cause a large influx of labour from other countries?—No; I do not think the other colonies will allow it.

2223. If you think that in a number of years there is to be a deterioration of the white people, who is to take their place, and who is to do the work?—They would certainly have to import coloured labour. I know quite well that in Australia there is a large population of a nomadic character, and it is very seldom you will find the same men working for the sugar company for more than two or three seasons. There will always be a fresh infusion of new blood.

2224. Kanakas?—No; white men.

2225. What proportion of white labour is employed in the sugar industry?—I really cannot say with any amount of certainty, but as you go north the proportion of black labour increases. There is a large number of white labourers engaged on the sugar-plantations at the present time. In New South Wales, almost entirely so.

2226. Taking an ordinary plantation, what do you think the proportion would be in the fields?—Not more than one-fourth would be whites.

2227. Are they imported men, or bred in the district?—They are men who travel. They generally go right from Victoria north.

2228. Then, do you look forward to an Anglo-Saxon population occupying northern Australia?—I think it will be a white population. There will be a portion of northern Australia that will never be occupied permanently for the purposes of agriculture, and that will necessarily give rise to a nomadic population.

2229. Do you know what is the proportion of native-born people in New South Wales?—I should say fully two-thirds now.

2230. The infusion of new blood is not very great in New South Wales to-day?—Not since immigration was done away with. It is not worth taking into consideration.

2231. And will the number become less as time goes on?—Yes.

2232. *Hon. Mr. Bowen.*] There is really a large area of good land in tropical Queensland?—Yes, very good land.

2233. Is it comparatively cut off from the rest of Australia?—So far as climate is concerned it is cut off.

2234. Must not that land be worked by coloured labour or remain desolate?—Unless irrigation is brought in, a large amount of that land cannot be cultivated; and I have no doubt it must be irrigated.

2235. In all tropical countries is not the land cultivated by coloured labour of one sort and another?—I have been in Fiji, and white men cannot do much work there. I believe, to a very great extent there are certain kinds of work which it is necessary to have coloured labour for.

2236. White men superintend the coloured labour at work?—Yes.

2237. You mentioned the advantage New Zealand would have over Australia in the matter of electrical power: have you made any estimate of the cost of electrical power over steam-power?—I can give you a fair idea. An electrical horse-power can be produced for about $\frac{3}{4}$ d. by water, as against a matter of about $1\frac{1}{4}$ d. by steam, on the spot. Distance, of course, increases the price per horse-power when water is used.

2238. That is really about one-fourth?—Yes.

2239. And as we get more experience electrical power will become cheaper?—Yes; it is becoming cheaper every day.

2240. *Mr. Millar.*] Would not that place us in a position to compete independently of any tariff that was put on?—No, I do not think so. There are freight and other matters to be considered.

2241. Have you any idea how many years it will be before we get any of these powers harnessed up?—It is only a matter of capital.

2242. Are you aware that in Dunedin, where they have capital, and are talking about using electricity, after considering all matters they have actually almost decided to go in for steam as against water?—Not being in possession of data concerning the matter, I cannot give an opinion, but I presume that is because of distance; but there are, however, inventions in projection that will very possibly materially decrease the losses by distance.

2243. I suppose you would not advocate our joining the Federation until we had looked all round the question, and seen how it would affect us practically?—Certainly not,

2244. And if, after that careful investigation, it was found that the advantages were greatly in favour of our remaining aloof from federation you think we would be right in remaining aloof?—As a matter of business, yes.

2245. We have to look at the business side as well as the sentimental side?—It is right; but there are higher matters than business.

2246. *Mr. Beauchamp.*] You estimate that the total cost of the Federal Government will not exceed £500,000?—That is, the executive portion.

2247. Under the Commonwealth Bill they have the right to make the trans-continental railway a Federal matter?—For defence purposes.

2248. In that case, and in the event of our federating, we would have to bear our quota of the cost of it?—Yes. It is as necessary for Australia to defend New Zealand as it is for Australia to defend itself, for if an enemy got hold of our coal ports it would destroy Australian commerce.

2249. Do you think that Australia would come immediately to our aid?—Not with a land force; but there is no doubt that a Federal navy would be established.

2250. In considering this question generally, have you not considered the advantages that Australia is likely to derive rather than those that would accrue to New Zealand?—Looking at it from the point of view of an Australian producer, I should say, “Stay out New Zealand; we do not want you.”

2251. You see greater advantages to New Zealand from joining?—Yes, I see better advantages to New Zealand than to Australia.

2252. Through the irregularity of the Australian climate, is it not almost certain that we will come in and supply produce to them, federated or not federated?—Of course, we will supply some produce.

2253. In that case they are not likely to erect a fiscal barrier against New Zealand?—I think they will to the extent of 25 per cent., but not particularly as against New Zealand. Then, there is another thing: Australia is not likely ever to be all at one time subjected to drought.

2254. Generally speaking, Australia is self-contained?—To a great extent.

2255. Then, as to the physical deterioration to which you have referred, is that observable only in Northern Queensland, or in other parts of Australia?—If you stay in one place you do not notice the deterioration very much; but it is more noticeable if you travel about to a certain extent, principally in North and Central Queensland.

2256. Do you not know that the inhabited portions of Australia have produced some of the finest athletes in the world?—That is so. I heard some evidence given here regarding the higher mental plane occupied by the people of New Zealand. I have travelled about a good deal, and if I was dropped down here suddenly at night I could not tell the difference between here and the southern parts of Australia. It has been also stated that we occupy a higher social status, and have a superior moral tone, and several things like that. I fail to see it. Strictly and truthfully speaking, I do not see any difference between the people at all, excepting as between here and Queensland, where there is a noticeable physical deterioration. But, as regards morality, I have seen worse doings here than ever I have seen in Sydney or Perth, which are the two worst cities in the Commonwealth. I have seen more juvenile depravity here in Auckland than in any part of the Australian Colonies.

2257. Have you compared the statistics of Auckland with those of Sydney?—I know that the crime statistics of Sydney are very much against Sydney in comparison. That can be easily traced to the convict element.

2258. *Mr. Leys.*] How about poverty in Australia?—There is a certain amount of poverty, and there always will be so long as drink, gambling, and other ills retain their present hold.

2259. Have you seen the same depths of poverty in New Zealand that you saw in any city in Australia?—No, I have not; but poverty in Melbourne and Sydney is only in the back slums.

2260. *Hon. the Chairman.*] Is there any other matter you wish to refer to?—I think that New Zealand would be a gainer by federation through the taking-over of the public debts by the Federal Parliament. According to the last Year-book the public debt was £46,000,000. That could be converted by the Commonwealth to 3 per cent., as against the £3 16s. 2d. we are at present paying.

2261. *Hon. Mr. Bowen.*] You are aware that we cannot get out of our liabilities for twenty-nine years. We can convert at a great cost, but we cannot pay off our debts?—Of course, that would have to be with the consent of the bondholders.

ERNEST WILLIAM BURTON examined. (No. 179.)

2262. *Hon. the Chairman.*] You are a solicitor of the Supreme Court of New Zealand, practising in Auckland?—Yes.

2263. Have you given attention to the question of New Zealand federating with Australia?—I have.

2264. What is the conclusion at which you have arrived?—I may say that I am in favour of New Zealand federating with the Australian Colonies.

2265. For what reasons?—The first of the questions raised against federation is that we should lose our independence by joining the Commonwealth. I think that is an error, because we might say that in every Federation the individual loses his liberty, or a portion of his liberty, by joining in the Federation. I think that would be conceded as going too far. There was no loss of liberty in the various provinces of the Canadian Dominion or the United States of America by joining the Dominion or the Union. The next point raised is that of distance. I would point out in regard to distance that, in the first place, most of us are looking forward to the federation of the whole of the Empire at no distant date, but the very arguments of distance that are alleged to tell against federation with Australia will tell with a hundredfold more force against any possible

Imperial federation. Then, there is the question of the loss of nationality—that Australia will develop into a different race. I would point out that at the present moment everybody must observe that there is an enormous difference between the colonial and the Home-born Briton. We only had to look at the rank and file of the Imperial soldiers who were here the other day to see that there was a marked line of divergence between the average man of that group and the men of New Zealand and Australia; but I maintain that the difference between the colonists of Australia and New Zealand and the people of the Mother-country is far greater than the individual difference between the people of Australia and the people of New Zealand. Therefore I say, with regard to the points of difference, and of the likelihood of a different nationality developing in time, that if those reasons tell against our federating with Australia they tell with a hundredfold more force against any federation with Great Britain. There are great differences to be wiped away before Imperial federation can take place. We have no aristocracy in these colonies, no class and caste distinctions, no pauper problems to face in social organization. Then, it is argued that by federation we will be brought into competition with the people of Australia. Of course, as we all look forward to the federation of the whole Empire, that must bring us into far greater competition, as regards manufactures, with the people of Great Britain. Then, there is the point that has been raised that, if we unite with Australia, on all questions that affect the Continent of Australia we will have absolutely the whole voice of united Australia against New Zealand on all questions brought up in the Federal Assembly. With regard to that, I happened to have an interview with Mr. Barton in Sydney in January of last year, and I put that question to him. The answer he gave me was this: "I am delighted to be assured that we are at last united. I should have valued the assurance more if it had come from an Australian source; but do you really think that under a system of representative government Cabinet would set about wrecking itself by making an enemy of a whole colony?" I reckon that in all questions that come up we will have to face a system of party government, and I cannot conceive a question coming up on which we would find the whole of Australia against us. Then, as to the black labour, it does not appear to me that we have any greater reason to fear the kanaka labour in Queensland swamping us in the way of manufacture than we have to fear the coloured labour of Fiji swamping the New Zealand markets. One assumption is about as logical as the other. I think that these colonies ought to be united in the way of naval defence. If any of you have perused the weekly editions of the *Times* during the last six months you will have seen that on the China station Britain has been outclassed in naval strength, and that as to Japan and Russia, on the China station their combined fleets far exceed that of Britain. I think you will find that the Japanese fleet in the course of construction will place Japan in the position of being the strongest Power in the Pacific. It would be absurd to say, in the face of combinations occurring near Home, that Great Britain should denude herself by making her naval strength in the Pacific greater than it is. In time it will be necessary for these colonies to take up the question of making themselves a naval Power in these waters. Unless we are united we shall find that we shall not be able to keep out the Japanese in the same way that we can the Chinese. It is said that by federation the manufacturing industries of the colony will be ruined. According to the last census there were 282,932 bread-winners in the colony, but of that number there are 214,876 engaged in callings that cannot possibly be affected by federation. That leaves only 68,056 to be accounted for. I wanted to find out how many of that number could be placed within the category of manufacturing interests, and the only light I can find on the subject is in the Year-book of 1899. That states that there are altogether 27,389 employed in manufactures and works. An analysis of these is given, and from it we see that there are 15,190 engaged in works that cannot possibly be affected by federation. These works are meat-freezing, sawmills, sash-and-door factories, butter- and cheese-factories, breweries, malt-houses, and gasworks. That brings the number down to 11,199 who can in various manufactures be prejudicially affected by federation with Australia. Then comes the question of finance. 1898 was a fair average year, and I notice that in that year the Customs revenue was £1,965,000, and the beer duty £76,200, making a total of £2,041,200. With regard to the making-up of that revenue, the following items will remain much about the same: Spirits, wine, beer, cigars, cigarettes, tobacco. In 1898 £764,735 was contributed by these items, and will remain pretty much the same under federation. I think it is wise policy to tax spirits and tobacco. There is a balance of about £1,190,000 that will vary by our being admitted to the Union. Supposing the Federal Customs duties averaged 15 per cent., that would mean a reduction on the figures we have to deal with of £324,618 on the £1,190,000. Then we have to add to that the loss on imports. In that year the import duty on goods imported from Australia amounted to £52,125, which gives a total loss by federation of £377,443. Then comes the cost of the Federal Government. This is set down at from £300,000 to £500,000, and is to be paid *pro rata* of population, which would make our share £83,250. That makes the total loss we have to face by federation £460,000. Now, if we have a reduction in our Customs to 15 per cent. from 22½, we must allow that there will be some increase in our imports, and I say we ought to allow about £100,000 for that in a normal year. That would reduce the amount to £360,000. That is called by some an absolute loss, instead of being a question of where and how the burden can be shifted. I would just call attention to the very high duties in New Zealand, and I think we shall have to consider the question of shifting the burden whether we join the Federation or not. It seems to me that the burden will have to be shifted in some way from the Customs to a more direct form. Those are, shortly, the points I have thought over, and the difficulties that have to be faced. I have endeavoured fairly to face them.

2266. Do you think that the manufactures in New Zealand would not be prejudicially affected by federation?—I do not think so, if their machinery is brought up to date.

2267. *Hon. Captain Russell.*] You mean that there are no inherent disabilities in New Zealand to prevent her competing with Australia?—That is so.

2268. *Mr. Roberts.*] Do you take any account of the loss of duty that would take place on sugar?—No, I did not take particular note of that.

2269. *Mr. Millar.*] I think all the figures you quoted with regard to the factories were from the census of 1895?—Yes.

2270. Have you any idea of what these numbers have risen to now?—I am at a loss to say; but I do not see how your factories can be increasing fast, inasmuch as I see the export of manufactured goods has come down to almost nil.

2271. Between 1895 and 1900 there was an increase in the hands employed in the factories of 19,059?—I do not know how that is made up. Of course, I know that even a bakery with two hands is a factory now.

2272. If, in the light of the last five years' working, our present tariff has enabled work to be found for our own people, do you think that is better than finding work for people outside the colony?—Very much better; but, notwithstanding that, you cannot keep people in New Zealand immediately there are improved times in Australia.

2273. Do you think the value of the Australian market to our agriculturists is worth our handing ourselves over to be governed from Australia?—That is also begging the question. I maintain that we do not hand ourselves over to be governed by Australia. We enter into a Federal bond, under which we all have the same voting-power as we have here in New Zealand, and we will be under a Constitution that is much more liberal.

2274. Do you think the community of interest in Australia would not be greater than the interest the Australians take in New Zealand?—I think that that matter of want of interest is due to the fact that up to the present we have taken no part in Australian affairs.

2275. *Mr. Beauchamp.*] In Australia there are several tobacco-factories and spirit-distilleries on which excise duties simply will be paid there: have you considered what the loss to the revenue of this colony would be by reason of the imports of these goods on which excise duty has been paid in Australia?—That is out of my line, and I cannot say.

2276. *Mr. Leys.*] Do you think it fair to exclude all the commercial classes from those who are earning a living from manufactures?—In what way?

2277. Is it not a fact that a great many commercial people depend on manufacturing industries for their living—clerks, commercial travellers, and so forth?—There must be a certain number outside those actually engaged in manufacturing that are involved in them.

2278. Well, then, do you think your broad division is a fair one?—It is approximately fair.

2279. Do you think if our manufactories were closed up there would be as many people engaged in mercantile pursuits as appear on that census return?—I remember the time when we had no manufactures here at all.

JOHN MITCHELL McLACHLAN examined. (No. 180.)

2280. *Hon. the Chairman.*] What are you?—A retired business-man.

2281. Having lived in New Zealand for how long?—For fifty-eight years; I was born here.

2282. You have a written statement: will you read it, please?—"I am a native of New Zealand, and was born at Cornwallis, Manukau Harbour, in 1842. I am a retired business-man, and a Justice of the Peace. During my business career of thirty-five years I have been a director of two large timber companies, and otherwise engaged in general business operations in the City of Auckland. But it is more particularly as a native of New Zealand, not as a business-man, that I desire to give evidence. I have, of course, listened to the arguments *pro* and *con*, and generally from a business point of view I indorse the statements of those who are opposed to federation. Taking the whole of the circumstances into consideration, I think now, as I have always thought, that it would be unwise to join the Australian Commonwealth. I favour rather, if possible, a closer union with the Mother-country, which I, with hundreds of other native-born colonists, still look upon as our 'home,' and which many of us have visited as such. We are Englishmen, Scotchmen, or Irishmen, as our parents were, and any entanglements which would weaken this feeling would, in my estimation, be injurious. We hear a great deal about the 'broader life' and 'higher ideals' that would be evolved by our connection with the Australian Commonwealth; but, to me, to be a citizen of the Empire, and of that section of it called 'New Zealand,' is to place me on a higher plane than merely to be a native of a dependency of New South Wales, as we were seventy or eighty years ago. In fact, our present geographical connection with Australia, and constant use of the term 'Australasian' by the Press of New Zealand, is a very great drawback, and I should like to see the word 'Australasian' in the Interpretation Act as including New Zealand altered. Sir Westby Perceval, when Agent-General, drew attention to the use of this word in connection with New Zealand as injurious, and, in a letter to me, regretted his inability to have it done away with. Beside all this, there is the fact that New Zealand is unique as regards—(1) Its insular position, its climate and scenery, and its productiveness; (2) its people and their physique, in that in both of these respects, from the very nature of its first settlements, it more nearly resembles Britain than any other dependency of the Empire, and that these unique features are all in our favour; and it should be our object to retain them, for, as years roll on, it will be found that the Canadian will become more and more American, the Australian will develop a type differentiating him more and more from the Briton, whilst the African will probably be further removed than either; and that this must be so is evident to every one who remembers the nature of their first settlements and their present environments."

NEW ZEALAND.

WRITTEN STATEMENTS ACCEPTED AS EVIDENCE.

COLEMAN PHILLIPS, Settler, Wairarapa, Wellington. (No. 181.)

The following written statement was accepted from Mr. Coleman Phillips as his evidence, as he could not appear for examination :—

"I regret that I cannot attend the sitting of your Commission personally. Perhaps you will accept my evidence *per scripta*. As a country settler, I am strongly in favour of federation, and write to voice the wishes of many of my fellow-settlers in the Wairarapa, who view with alarm the evidence that is being tendered your Commission. There appears a distinct conflict already between manufacturers and producers, whereas New Zealand is still in the pastoral, agricultural, dairying, and mining stages, manufacturers being but a minor element in our development. I know of no instance in history in which peoples speaking the same language, obeying the same laws, and worshipping the same gods could be kept from federating with each other. New Zealand is even now federated with Australia in a score of different things, and your Commission could not break those bonds; I instance postal and telegraph matters, New Guinea colonisation, wife-desertion, legal matters of practice, Church matters, South African defence, stock-diseases and quarantine, rabbit-suppression, banking, insurance, plague-prevention, &c. Most of our statutes are moulded upon Victorian or New South Wales statutes. I have sat at a Stock Conference in Wellington in which the federation of the whole of the Australasian Colonies in all matters connected with stock or land was practically complete. The land of these colonies cannot be worked with safety where federation of some kind is wanting. The New Zealand statute-books fairly bristle with evidences of federation. Change but the name, and the statutes read equally well in each colony. As to the twelve hundred miles of Tasman Sea which separate us from Australia, I would point out that, apart from the fact that it would be cheaper to supply the Sydney market over twelve hundred miles of sea-freightage than by six hundred miles of land-freightage, there is another and more important reason why these twelve hundred miles of sea furnish twelve hundred good reasons why we should federate. Taking Sydney and Auckland as the opposite base angles of an equilateral triangle, of which the apex is Noumea, in New Caledonia, I hold that an 11,000-ton French iron-clad (which is shortly to be there), and a fortified French naval base, will compel Sydney and Auckland to similarly fortify and assist the Imperial fleet to guard the Tasman Sea. Without federating they cannot assist each other. Union is always strength, and I trust your Commission will support that time-honoured maxim. We on both sides of the Tasman Sea must trust to ourselves, not to the opinions of Imperial officers, who of all men appear to be most wanting in knowledge of modern requirements in war. The greatest danger to us looming in the future is a Chinese or Japanese invasion (at present we are federated through mutual laws made for the purpose of excluding them should the immigration become too numerous); the merest whisper of such a thing would compel us to join together for mutual defence. Our duty is to join with and mould the Federation for our future benefit. New Zealand always will be powerful enough to mould the Commonwealth to its wants. Islands usually have dominated continents—such as England, Europe; Japan, China; Greece, Italy; and Sicily, too, may be regarded as insular; and in their time all these islands dominated their neighbouring continents. Already our Union Steamship Company's fleet does much of the Australian outward shipping. With respect to our labour unions, I would remind these gentlemen that they are the heaviest-taxed men on the face of the globe, and that they appear blind to their fate. A shilling goes twice as far in Sydney as it does here. Wages can readily be 2s. a day less in Sydney, and yet pay the workman better than in New Zealand. If federation only brings about the great blessing of making the 7s.-a-day wage worth even 5s. (not 3s. 6d. as at present), the labour unions should be thankful. That is, in my opinion, what it will do, and save £1,000,000 a year in gross taxation by conversion of loans and a lessened general tariff. In science matters the scientific men of these colonies are federated. I am proud to name myself a member of the Australasian Association for the Advancement of Science, an association now some ten years old, holding its sittings in turn around the different colonies, so that in religious, scientific, legal, parliamentary, defence, and pacific matters we are already federated. Furthermore, the New Zealand potato, onion, oat, maize, cheese, butter, bacon, ham, horse, &c., are the best of their kind, and bound to dominate the markets of the Southern Hemisphere, and many of the north-eastern ones too. Would the labour- and trades-unions of the colony place their own hands in shackles by closing not only the Australian markets, but the immense markets beyond, which will be opened up through Australian ports to New Zealand's productions, and allow inferior Australian goods to be supplied? I scarcely think so. Upon calm reflection, these labour unions and your Commission must, I think, "weigh down the beam" in favour of federation. Sydney not long since sent 1,000 tons of New Zealand potatoes to Manila. I but write in the interests of the colony as a whole, dropping self out of the question. With respect to the loss of some parliamentary independence, that will do New Zealand good. Ever since 1869, when the mistaken policy of huge public debt and consequent huge public taxation was entered upon, the various Governments of the colony have done nothing but harm to the workers by making their daily wage worth only half what it appears to be. I exclude no Government we have had from this blunder. Time it is to let a Federal Government try and remedy the mistake in the interest of the great mass of men and women workers. The colony has had full power to tax itself, and it has eagerly availed itself of every avenue to do so, until now there exists a list of thousands of articles subject to taxation. Nothing escapes this list, from the cradle to the grave. New Zealand could now cover itself with railways with the interest it pays upon its public debt. The Federal Parliament would never be so unjust as to plunge the States

into such enormous debt. Its object would be quite different—viz., to check State extravagance, and keep taxation light upon the people. The highest principle to make a people strong, happy, and contented is to keep down domestic taxation. I am convinced that the great benefit of federation to New Zealand would be in a reduction of our taxation. Only lately the New Zealand Government endeavoured to tax the farmers' milk. I write as the promoter of New Zealand trade into the Pacific since 1873. I strongly desire federation with Australia, so as to work out Australasian interests in the Pacific, jointly from Sydney and Auckland, which I have always advocated. I write, too, as the father of the co-operative dairy factory movement in these colonies, which I had the honour of instituting in 1881, a movement which, without public cost, has been found of great benefit to all classes of settlers, traders, and labourers. I do not wish to see this industry taxed, and I believe the Federal Government will keep it from taxation. My wish is to see all Australasia working together as one united people, aiding and assisting each other, which they will do if allowed, unitedly repelling foreign aggression, and moulding the Federal Commonwealth Act to their wants. I have no fear as to New Zealand's position in the Commonwealth. There can be no petty log-rolling in the high Senate of Australasia, as there is now in all the State Legislatures, to the injury of the mass of the people. The actions of the Dominion Parliament of Canada stand out to us as a shining example. And we hear very little scandal from the chief Congress of the United States of America. Any Federal Government can keep down domestic taxation better than State Legislatures, which, having to supply directly the funds for local expenditure, keep down the continued demand for premature public works. I think Australia will have the good sense to allow us to join as an original State, but join we should not fail to do. With respect to manufactures in this colony, protected under a 20- to 40-per-cent. tariff, I would point out that these only injure the colony, even the best of them, by shackling trade. They would develop better under a Federal tariff, owing to our superior energy and coal resources; but I have no wish to injure any established manufacture, and would suggest a graduated Federal scale of reduction for five or ten years for this colony."

J. O'BRIEN, Timber Merchant, Auckland. (No. 182.)

The following written statement was accepted from Mr. O'Brien as his evidence, as he could not appear for examination:—

"I have not had much opportunity of giving this great and important question the careful and close application it demands in order to be able to give anything like an intelligent opinion of what federation with Australia really means. I am inclined to think it would be a mistake to join, and these are my reasons for thinking so: (1.) That we would to a large extent forfeit our independence and sink our individuality and national character, which we are as New-Zealanders proud of. (2.) That the curtailed duties and responsibilities of State Parliaments would not induce our best men to go in for such politics, but would have a tendency to produce an inferior class of politicians. (3.) That all leading questions, such as defence, Customs, post and telegraph, railways, &c., would be taken over by the Federal Parliament, and consequently our best men would aspire for Federal honours, to the neglect of our own immediate concerns in the State. (4.) That the seat of the Federal Government would be too far away, and our representatives too small in numbers to have much weight or power to effect reforms that we may think desirable and essential for the well-being of our country, and there would be a risk of these matters, if taken out of the hands of the State Government, being very much neglected. (5.) That we would be drawn, as one of the federated States, into the vexed question of white *versus* black labour, which is likely to be a very troublesome one in future, and such disputes could not be settled by our Arbitration or Conciliation Boards. (6.) That, being part of the greatest Empire in the world, assistance for defence purposes, when needed, will be always given; and, besides, the Commonwealth will in all probability unite with us in matters of defence without our joining the federated States. (7.) That the extra cost of Government which must necessarily follow the establishment of the Federal Government would mean a considerable increase of taxation, and would also have a tendency to reduce wages by flooding our markets with goods made by Chinese and other cheap labour. (8.) That federation would give an increased prosperity to some of the other colonies, especially New South Wales and Victoria, and considerably depopulate, for a time at least, our own towns. Many new industries will be started in time over there, and no doubt protected by a tariff. (9.) That New Zealand possesses one of the most beautiful and healthy climates in the world, and a fine progressive race of people, with natural resources and rich possessions all her own; and we would be hampered and retarded in our progress if not left free to work out our own destiny. (10.) That Australia will never be induced to put a prohibitive tariff on our produce, but will be inclined to arrange reciprocal treaties to our mutual advantage. For instance, kauri and white-pine timber are used for special purposes over there, in preference to the Baltic or Oregon timber, and is unquestionably more suitable; and it is contrary to common-sense to say that she would so far stand in her own light by putting a prohibitive tariff on importations of the kind or commodities that she needed. If they do, there is a market now for all our surplus kauri in England, France, Glasgow, Belfast, and the growing demand, by the expansion and progress of our own country, will make an increasing demand for our timber. The white-pine is peculiarly adapted for butter-box making. I have never heard of another timber so suitable for that purpose; it leaves no taste of the wood on the butter, while most other pine has an expensive chemical preparation to make it tasteless; and I am almost sure there never will be a tariff put on white-pine. The kauri is used largely for furniture-making, matched lining, flooring, fittings, &c., and is preferable to the Baltic or Oregon, and is as cheap as any other pine, as far as I know, and is much better suited for the purposes I mention than any other timber that I know of. The kauri, I feel sure, will not be handicapped if we never federate."

AUSTIN H. BISLEY, Fruit-grower, Nelson. (No. 183.)

The following written statement was accepted from Mr. Austin H. Bisley as his evidence, as he could not appear for examination :—

“As requested, I hereby have pleasure in writing *re* federation. My views on the matter, in the first place, I might say, are, perhaps, of little consequence, as I have not perhaps taken the interest I should have done, or considered federation with Australia to any extent. The general advantages to be derived I have considered more from an interested point of view—viz., with reference to our hop industry. If anything, I think the great question of federation with Australia is premature, and could be considered with greater advantage in, say, five years hence. Hops are our principal staple, and I think if we had a reciprocal treaty it would meet our case. If that were granted us, I am of opinion we could almost double our present production, and compete more than favourably with any hops grown in Australasia. Without a reciprocal treaty or federation, I presume an equal duty in all States will exist. In that case we could well compete with hops grown in other parts of the world. Now, all parts of Australia, with the exception of New South Wales, have duties from 6d. to 8d. per pound, and each colony, in the face of these duties, takes our hops largely; but, of course, without a treaty, such business cannot be expected to exist for, say, longer than three or four years. I am aware that some of the largest breweries in Australia, especially those of New South Wales, are already contracting with Tasmanian hop-growers with a view to extending their gardens for large supplies, with a guarantee to take their production for five years at 1s. per pound. At the expiration of this time, as I have said before, without a reciprocal treaty our own industry must fall from an average production of 4,500 bales, with an average value, say, of £53,000, to that of the requirements of this colony, of about 1,500 bales, to a value of £18,000. Such loss of production would be very serious to Nelson, and mean ruin to very many small settlers. Hops here are mostly grown in small patches—say, 1 to 3 acres—and can be brought to full maturity from three to four years. Hence my opinion that, without a treaty, Tasmania can grow almost Australia's requirements in three to four years from time of planting.”

GEORGE E. ALDERTON, Editor, *Northern Advocate*, Whangarei. (No. 184.)

The following written statement was accepted from Mr. George E. Alderton as his evidence, as he could not appear for examination :—

“Being unable to attend your Commission personally, I beg to submit in writing my views in regard to the industry of viticulture and its relation to federation. Without in any way wishing to express an opinion for or against federation on its broad basis, I feel it my duty to point out that, in the matter of viticulture, federation with Australia would mean utter ruin. The kauri-gum and kauri-timber industries of the Province of Auckland, now worth more than all the wool exported from the Port of Lyttelton, are industries which are rapidly dying through depletion. Both will probably have completely disappeared during the first generation of this century. The land which is now yielding so much wealth will have been exhausted, and those industries, which now support directly and indirectly no less than twenty-five thousand people, will have disappeared. Hence it is most desirable to provide, if possible, new industries in place of those which we must inevitably lose, for neither kauri-gum nor kauri timber can be reproduced. The lands, too, from which the timber and gum are obtained, being practically useless for agricultural purposes, must, so far as that branch of industry is concerned, remain barren wastes. We have, however, in the vine a plant that will flourish on this otherwise useless land. But if viticulture is to be firmly established here we must have a clear understanding that there is to be no federation, and if the Government, in addition, were to afford the industry a fair measure of encouragement we might reasonably expect the viticultural industry to fully compensate us for the lost timber and gum industries. Vineyards are being planted throughout the north, and wine, quite equal to the best Australian, is being produced. As to the suitability of climate and soils, there can be no room for question. Nor is there any question as to markets for the wine. The world is our market, and the further the wine is ship-borne the better it will mature. Nothing “makes” or ages certain classes of wine so much as a long sea-voyage. For the thorough establishment of viticulture in this colony we want—(1) The existing law in regard to phylloxera made to conform with the law obtaining in France; (2) bottle licenses, so that stores can sell the wine; (3) an Act of Parliament guaranteeing that, whether federation is adopted by this colony or not, the industry of viticulture shall remain protected as against the importation of Australian wines and grapes for a specified number of years. It may seem a novel proposal to pass an Act for such a purpose, but now that federation is dangling in the air we can have no security from year to year, there will be no finality to any proposal, and all confidence in industrial pursuits will be destroyed; hence, if an industry is to be encouraged by the colony, it will be necessary to pass an Act affirming that that industry is to remain unaffected by any treaty or legislation for a given number of years. If Australian wine were allowed to come into this colony duty-free, viticulture could never be established here. The importance of establishing the industry in New Zealand is very far-reaching, for, apart from the potentialities of the future of viticulture—an industry which gave to France the most numerous and wealthiest peasantry in the world—we have to bear in mind that we have in the North Island immense tracts of land which never can be used for any economic purpose except vine-growing, and if we sacrifice that industry we render absolutely useless an immense area of country. The vine will grow where grass will hardly exist, and often on the poorest of soils produce the best wine, and that, too, without any manure. Its cultivation in this colony has been sadly overlooked; but there is ample evidence available now to demonstrate the great value of the vine in so far as the North Island is concerned, and the object-lesson furnished by the Government plantation at Wairangi, where the vines grow luxuriantly on the poorest of soil, confirms all that I claim for the vine.”

F. G. EWINGTON, Land Agent, Auckland. No. 185.)

The following written statement was accepted from Mr. Ewington as his evidence:—

“My name is F. G. Ewington. I am a land and estate agent, and have been in Auckland since 1862. In my opinion, federation with Australia would benefit New Zealand politically, commercially, and socially. I wish to emphasize the political phase of the question; no right decision on federation can be come to without realising and understanding the changed and changing aspect of the political situation in the Far East. China, an Empire which has endured for thousands of years, is breaking up, and European Powers will almost certainly become involved in war between themselves or Japan in scrambling for territory. Had China, which is practically eighteen mandarinates or kingships, subject to the whims of the dominant clique at Peking, federated thirty years ago, federalism might have saved her from dissolution. It may yet save her if Britain, the United States, and Japan will step in to protect her from Russia and France, and give her similar assistance throughout the Empire to that which Britain and Japan are giving the Chinese in the Yangtze territory. Russia and China are our danger. Federation gave new life to Canada, Switzerland, and Germany, and will no doubt greatly consolidate, invigorate, and benefit Australia. Russia will most likely dominate China. She is seizing vast territories, and closing Chinese markets against British goods. She has not only made Vladivostock almost impregnable, but Port Arthur also; and, although now only twenty days' steam from New Zealand, she is trying to get a port nearer to us, and may possibly get one in or near the Persian Gulf, within easy access of the Trans-Caspian Railway. France, the ally of Russia and hereditary enemy of England, is considerably nearer to us at present in Indo-China, embracing Cambodia, Cochinchina, and Annam. Both France and Russia are exhibiting hostility to Britain in the Far East: Russia from the north and France from the south. But France's possessions at New Caledonia, only a thousand miles north-west of New Zealand, and the Society Islands, only two thousand miles north-east of this colony, bring her into strategical positions whence she could take quick advantage of our isolation in event of war. If Britain were involved in war with Russia and France, Britain might not be able to afford adequate naval assistance to New Zealand. Britain would have to exert herself at more vital places near her heart. A mere outpost like New Zealand would have to rely mostly upon itself. But Japan has now been admitted into the family of nations, and she has a navy in the Pacific and 200,000 soldiers. She may agree with Russia over Korea, or she may fight Russia over it; and in either case Britain is almost sure to be drawn into the struggle. Japan also may get to war with Russia over China. Japan aspires to save and guide China. But, whether there be war or not, there will be trade disputes between New Zealand and Japan; so that that new great political Power in the Pacific has quite altered our political situation as a colony. Taking, therefore, into account the changed and changing aspect of affairs in the Far East, and the fact that we cannot escape the consequences of Britain's foreign policy, I think our federating with Australia would secure to us more strength and prestige. In any representations we might have to make over trade or racial disputes we should command a better hearing if we had united Australia by our side. In any matters of defence we should be stronger if we had the wealth and population of Australia with us. She will have a navy. Hence, to my mind, it is not a mere question of whether we should pay more for our boots or our administrative government; it is a question of national life and death. Sir Philip Fysh, Treasurer of Tasmania, shows that New Zealand's share of the Federal expense will be £279,000 a year at first. In my opinion, if it cost three times that sum it would be money well spent, and the people could pay it in direct taxation. As for the commercial advantages, I believe they would be great. The trade and population of Canada increased greatly in a few years after federation. It stands to reason that free-trade with Australia would be an advantage to New Zealand. The late Sir George Grey, with the instincts of a far-seeing statesman, said at Wellington in 1891, when speaking on federation: ‘Considering all these points, I confess I am in doubt as to whether it would be better to federate with Australasia or not. But I am certain that the objections which have recently been made to it and that I have heard are not of very much validity, of that I feel confident. To federate with Australia would hold out many advantages. In the first place, free-trade between New Zealand and the Australian Colonies would give to the whole of this part of the world a commercial lift which you can hardly conceive the value of. I firmly believe that both colonies would go fast ahead. Just remember our isolated position in the world. We have no nations to the south of us—the whole of that immense part of the globe is unoccupied; we have no one to trade with in our immediate vicinity. But each of these two countries produces exactly what the other requires, and the populations are increasing rapidly; and I say that the traffic of four millions of people—of four millions of people with one another—would produce mercantile wealth the importance of which you can hardly estimate. . . . These facts all furnish strong arguments in my mind in favour of union upon proper terms.’ As for the social advantages, I think there would be greater intercourse between New-Zealanders and Australians. All would take more interest in each other. We would have loftier political ideals. An impetus would be given to thought and enterprise. From being slow and small we should become vigorous and great. Although we would lose our identity as a nation, we should only lose it as a single lady loses hers when she gets married. We and united Australia would become ‘one people, have one destiny.’ We shall not lose legislative independence. The great difficulty I see is in clause 127 of the Australasian Federation Enabling Act, which provides that ‘aboriginal natives shall not be counted.’ But I am sure our statesmen can get over that difficulty if they honestly desire to unite all Australasia in the desirable and indissoluble ties of federation.”

GERALD L. PEACOCK, Editor, *New Zealand Farmer*, Auckland. (No. 186.)

Mr. Peacock, in lieu of being examined, sent the following written statement, which was accepted as his evidence:—

“There are two aspects of the federation question which present themselves for consideration by New-Zealanders—(1) The commercial, and (2) the political. The commercial advantages of

becoming a member of the Australian Commonwealth would have to be overwhelming to counter-balance the grave objections from a political and social point of view; whereas the greatest commercial advantage that could be gained from free Australian markets for New Zealand products must be only of inconsiderable value in proportion to the total volume of our produce-export trade. Moreover, it is debatable whether there might not be commercial disadvantages for this colony arising from the Federal bond which would quite discount any trade benefits that might be secured to us by intercolonial free-trade. The only agricultural products of any importance which New Zealand can supply to Australia are oats, maize, potatoes, and dairy produce; and for these, even if admitted duty-free to Sydney, Melbourne, Brisbane, and Adelaide, there would only be a market in Australia at exceptional periods of scarcity through drought or floods. At such times there would be a temporary demand for New Zealand produce—duty or no duty—to whatever extent Australian supplies were deficient. Flour has always been cheaper in Australia than in New Zealand, which proves that under free Federal markets we could not sell a bushel of wheat or a ton of flour in Australia (except for mixing purposes), but Australian merchants could undersell our own people in these breadstuffs in New Zealand centres. Under a Federal tariff our hands would be tied as regards making reciprocal Customs arrangements with Great Britain, or with other nations, which, though advantageous to New Zealand, might not suit Australian interests. The control of the railways exercised by the Federal Government might be used to the serious commercial disadvantage of this colony, by means of differential rates and special concessions to big Australian companies and corporations; for it must be remembered that New Zealand could always be outvoted in the Federal Parliament by the united power of the Australian States, or even by a combination of four of them, on occasions where our business interests clashed with theirs. As regards railway-construction, for instance, it is unreasonable to suppose that the interests of a number of coterminous continental States would always be identical with those of an island community separated from the former by twelve hundred miles of ocean. Indeed, having regard to inter-State trade rivalry and competition, which it would be idle not to anticipate, the commercial interests of the continental and island communities, in the matter of railway construction and management, might be not only different, but actually antagonistic. The same possible, if not probable, antagonism might arise with respect to postal routes and services, and thus causes of friction and future trouble and estrangement would spring up which might lead to the ultimate disruption of fraternal relations between two members of the British Empire. An irritating and irksome bond of this kind would prove an obstacle rather than a help to the gradual growth of the grander Imperial federation which is the aspiration of all far-seeing and patriotic Britons. Politically, I can see no advantage to this country from joining the Australian Commonwealth under the present Federal Constitution which we should not enjoy as an independent member of the Empire in friendly brotherhood with Australia. With regard to finance, it is generally assumed that, as a member of the Commonwealth, New Zealand would be a gainer, because, owing to the supposed superior security the Federal Government could offer, a lower rate of interest would be paid on account of our public debt. But the real value of national securities depends upon the natural productiveness of the borrowing country, the intelligent energy of its inhabitants, and the wisdom and public honour of its Government. In steady productiveness and varied resources New Zealand is superior to every one of the Australian Colonies, while in the industry of its people and the public integrity of its Government it is at least equal to any. The financial stability of this country and its comparative freedom from serious commercial disturbances is borne witness to by no less an authority than Mr. T. A. Coghlan, the New South Wales statistician, who writes, in the latest edition to his statistical work on the 'Seven Colonies of Australasia,' page 770, as follows: 'The configuration of the Colony of New Zealand renders it to a very great extent immune from the droughts that so much affect the mainland of Australia, and the financial crisis of 1893 had only a comparatively slight influence on its trade; the progress of trade in that colony was therefore fairly regular during the years when the finances of the mainland colonies were most disturbed.' Surely this is a strong testimony to the steady interest-paying power of New Zealand, which is the main thing the public creditor should and would take into account in making his investments. There is therefore no reason why this country should not be able to borrow in moderation as cheaply as the Federal Government of Australia. Although the taxation per head of population amounts to £3 16s. 9d. for New Zealand, against an average of £2 17s. 9d. for Australia, the wealth per head of population in this country is greater than in any of the Australian Colonies, being £266 in New Zealand, against an average for Australia of £242. Moreover, 14½ per cent. of the property in the Commonwealth States is owned by absentees, while in New Zealand they only own 8½ per cent. of the total wealth. In short, in whatever way the relative positions of Australia and New Zealand are considered in relation to the chances of unfluctuating prosperity and steady progress, this country has the advantage. In other words, our national business position is the soundest and the most promising. What material benefit, then, can we derive from entering into close partnership with a national business not so good as our own—a partnership, be it remembered, which, once entered into, must be indissoluble? From an intellectual and social point of view, federation with Australia under the existing Constitution would tend, in my opinion, to dwarf and narrow public life and spirit in New Zealand. Even her own representatives, deliberating in the Federal capital, far removed from our island life and interests by hundreds of miles of sea and land, and surrounded by the atmosphere of, and feeling the rush and swirl of, the great continental interests all about them in their daily life-work and social environment—even they would in time become partially estranged from their New Zealand interests and aspirations, throwing themselves into the exciting turmoil and conflict of the larger continental affairs, about which we, as a people living in this colony, would know little, and care less; while about New Zealand questions the Australians would be even more ignorant, and still less interested. I fear such would be the case partly because of the wide stretch of

dividing ocean, but still more because there is no similarity, except a superficial one, between the conditions of life here and in Australia. Except for the accident of greater proximity, and the blessed absence of Dutchmen in Australia, there is no more in common between us and the island continent than there is between us and Cape Colony. Under such circumstances only the very loosest Federal tie could prove tolerable, such as the establishment of reciprocal tariff arrangements; a union for mutual defence against foreign aggression; and perhaps a common Criminal Code and uniform marriage laws. But the Commonwealth Constitution means much more, in reality, than a mere Federal bond. It is likely to prove a strong amalgamating force, welding firmly together the different provinces of Australia into one homogeneous political whole. This is possible, and, as I think, right for them; but with New Zealand included it would be impossible, and fatal to our highest interests as a free, self-governing nation, proud of her connection with and her part in the glorious destiny of an Anglo-Saxon Empire."

SYDNEY.

SATURDAY, 16TH MARCH, 1901.

Hon. JOHN SEE, M.L.A., State Secretary, New South Wales, examined. (No. 187.)

Hon. the Chairman: Mr. See, the New Zealand Parliament have appointed this Commission to inquire into the question of the advisability or otherwise of New Zealand entering the Australian Commonwealth. The Commission has taken evidence on the matter throughout New Zealand, and we now wish to inquire in Australia into the question of how trade matters, postal matters, defence matters, and judicatory matters would be affected by New Zealand entering the Confederation, and generally into all matters connected with the question, in order to enable Parliament to arrive at a just conclusion as to whether it would be advantageous to New Zealand to join the Commonwealth. If you could afford us any information on these questions, or favour us with your own views on them, we shall be extremely obliged.

Hon. Mr. See: I am very pleased to meet your Commission, and I shall be very glad to give you all the information possible, and my own views on the matter, for what they are worth. I shall be pleased to afford you any data and information you may require from the Government departments, and any assistance in the way of printing. The question to be dealt with by your Commission, however, will be largely one for the Federal Government to deal with, and therefore any specific statement on the question will naturally have to come from them.

Hon. the Chairman: We propose to see Mr. Barton on the general question at an early date; as far as the question of reciprocity is concerned, I presume that is one as between the different States?

Hon. Mr. See: No; that is a Federal matter entirely.

1. *Hon. the Chairman:* We would like to hear your views, Mr. See, as to the general question of New Zealand entering the Commonwealth?—I am favourable to federation, and I have no doubt what the result will be, because we shall be able to do away with the hostile tariffs now existing in different States, which have hindered rather than promoted the settlement of the country. This in itself will be a good thing. New Zealand is in the same position as Tasmania, excepting that she is a little further away. The tariff question naturally affects New Zealand, which now has only one unrestricted colony—New South Wales—to work with, and, being outside the Federation, you will have no special advantages under the Federal tariff unless some special reciprocal arrangement is made between New Zealand and the Federal Government, which alone would have the power to make it. The Constitution Act gives the Federal Government a good deal of scope on that point; but whether the other States would feel disposed to allow a colony outside the Commonwealth to come in and enjoy the same privileges of trade as the States of the Commonwealth enjoy is a matter, of course, that would have to be considered seriously. I am not in a position to give an opinion as to whether they would be favourable or not, because I do not want to do anything that would be likely to prejudice your inquiry, or your desire to obtain the best information possible.

2. There may be advantages to be gained by New Zealand coming into the Commonwealth which some people in New Zealand fail to appreciate: how would the defence question be affected, Mr. See?—If New Zealand joined the Commonwealth, and were attacked, it would be attacked as part of the Empire, and just as we assisted Britain in South Africa—which is a part of the Empire also—to maintain the rights of the citizens of the Empire living in the Transvaal, so we should assist New Zealand. Then, having one uniform system of defence for all the States, and under which troops could be rapidly moved by railway, would be a great advantage. With regard to trade, I need not tell you what it would mean to New Zealand if the Australian market were open to you, because there are many things which we require which you can produce better than we can, and you have climatic advantages which we do not possess.

3. Is the Federal tariff likely to be a revenue or a protective one?—It must be a revenue one, and we must have a pretty heavy Customs tariff to provide the necessary moneys for the expenses of the Federal Government, and to give the States back as much as they are getting now; the imposition of a tariff of that kind will mean a large increase in the amount derived from Customs duties. New South Wales, in round numbers, will receive a million more from Customs than she is getting now, and I have no doubt that the other colonies will also get more than they are now receiving.

4. Then, New South Wales would be able to remit taxation in other directions?—We cannot. We have nothing to do with Customs and excise duties, excepting on tobacco and spirits, and I do not know that we could remit any taxation; but we can do with another million all right here. Our Customs revenue last year was £1,700,000; but we only tax tobacco and cigars, and a few items like that.

5. How would postal matters be affected by federation?—That is a matter for the Federal Government entirely; I think it is a great deal better for the colonies to work with uniformity in regard to postal matters than to work by themselves, and the ocean mail-services, whether from America, Canada, or Great Britain, should be conducted with uniformity, as far as all the colonies are concerned, if possible. It is an advantage for all the colonies to have mail-services by way of America or Canada; but whether the Federal Government and the New Zealand Government should contribute to a service which is purely American, and which does not reciprocate in trade with the people of these colonies, is a big question, and I may say that, looking at the thing broadly, I do not think it is fair that the moneys of these colonies should go towards subsidising a mail-service which does not reciprocate with us, and which has practically hunted one of your boats out of the trade—that is, the “Moana.” Whether some treaty could be made with the United States to allow our boats to get a share of the trade I do not know; but it may be worth trying, because we wish to be as friendly as we can with all sections of the Anglo-Saxon people. Perhaps the representation of the unanimous expression of the opinion of the people of the Commonwealth, added to that of the people of New Zealand, would have some weight with the United States in this connection.

6. *Mr. Beauchamp.*] Do the leading people in Australia hold pretty strong views on the matter, Mr. See?—I think they do. The Chamber of Commerce in Sydney passed a resolution condemning the selfishness of the United States Government in giving such an enormous subsidy to their own mail-boats, and then expecting us to subsidise them in addition to that. That is the general feeling among the merchants here. We are only paying £4,000 towards the service at present, but, as a matter of fact, it is more a New Zealand service than an Australian service.

7. *Hon. the Chairman.*] Could you tell us how the question of the coloured labour is going to work out in the Commonwealth?—I cannot tell you. That is a very complex question.

8. Could you advise us as to the best course to adopt to get a good expression of opinion with regard to the financial aspect of federation?—That is quite a statistical matter—merely a matter of figures. The difference is this between the parties now: taking Sir William McMillan, he admits that we want eight millions, and proposes to get four millions from spirits, two millions from excise, and two millions from *ad valorem*. We have fifteen millions of imports. In order to get the two millions from *ad valorem*, he will have to make it a 12½-per-cent. tariff—that is to a large extent speculative—on all imports other than those which are specifically fixed. That taxes everything. When I introduced the tariff under the Dibbs Government, the Free-traders called 10 per cent. “protection,” and they fought us very keenly over it, and got us to knock off some of the duties and to put it on to direct taxation. We had then exemptions on from six hundred and fifty to seven hundred articles. Now they call 12½ per cent. on everything “protection,” and they justify the name from the fact that they say it taxes everything, and does not distinguish between one article and another. It is purely a matter of opinion. If you tax articles it must be a little bit harder on the consumer. The principle I go on is to make all those articles which we cannot produce as cheap as possible to the consumer.

Hon. R. E. O'CONNOR, M.L.A., Vice-President of the Commonwealth Executive Council, examined.
(No. 188.)

Hon. the Chairman: We are, sir, a Commission appointed by the Parliament of New Zealand to inquire into the question of the advisability or otherwise of New Zealand federating with the Commonwealth of Australia, and, in pursuance of that object, wish to take evidence in Australia. We have waited upon you to-day to ask the assistance of your Government in the prosecution of our inquiries.

Hon. Mr. O'Connor: Gentlemen, with sincere pleasure I welcome, on behalf of the Government, such a representative body. I look forward with the most earnest hope that the result of your inquiries here will be to complete the circle of the Australian Commonwealth. We know from our own experience that the rational tendency and instinct of every man tend to union, and we only hope that the commercial and material considerations which you are to inquire into more particularly will lead you to entertain the idea of union, and, in fact, that on all grounds the union will be entertained, and a complete Australasian Commonwealth will be brought about as soon as possible. Every opportunity which there is of getting information will be open to you, and we shall be very pleased indeed to assist you in every possible way.

Hon. the Chairman: We have to thank you, Mr. O'Connor, for your very kind welcome. This Commission has taken evidence throughout New Zealand, from merchants, Government officials, and persons interested in agriculture, manufacture, and trade generally, as to the desirability or otherwise of New Zealand joining the Australian Federation. We have also taken evidence on the sentimental aspect of the question; and we are now here to inquire as to the advantages—which the people of Australia may be able to exhibit to us in a more concrete form than we have had them presented to us in our own colony—we would gain by entering the Confederation. We wish to inquire into all matters connected with defence, post and telegraphs, the judicature, finance, and generally all other considerations to enable Parliament to come to a just conclusion as to whether it would be to the advantage of New Zealand to join the Commonwealth. If you could give us the benefit of your views on these matters we should esteem it a favour, and they would prove of material advantage to us in reporting on the questions involved in the scope of our Commission.

Hon. Mr. O'Connor : I have rather been taken by surprise by your visit, and therefore you must take what I have to say as simply the result of my general thinking on the question, without having had any special preparation. Had I known earlier that this interview was going to take place I certainly would have had some material got together and placed before you in a concrete form. I would prefer to have a little time to think the question over, and if you will kindly give me a few notes as to the subjects on which you seek information I will go into them and afford you all the information I can at another interview.

Hon. the Chairman : I will be happy to do so.

Hon. Mr. O'Connor : Are there any points we can discuss now in an informal way? I might say that there is a provision in the Constitution Act for admitting other colonies to the Commonwealth on such terms as the Parliament might agree. I do not know whether your inquiry here has relation to the particular conditions on which your colony could join?

9. *Hon. the Chairman.*] One important matter we have to inquire into is as to the possibility, supposing the decision of the New Zealand Parliament is against federating, of a reciprocal treaty mutually satisfactory to both sides being arranged in reference to certain articles of production. Then, there is the question of defence, postal matters, judicatory matters, the tariff, the Arbitration and Conciliation Act, the labour laws generally, and the criminal law. Could you favour us with your opinion as to how New Zealand would be affected in those respects under federation?—With respect to the criminal law, the Commonwealth has no jurisdiction over the criminal law of any particular State.

10. You think they have no power to set up a Criminal Court?—I think there is no doubt about that. The Federal Courts will have jurisdiction in criminal matters on any points in regard to which they have special jurisdiction, but the general control of the Criminal Courts will remain with the States.

11. One of the most important questions is the tariff question. We want to know, if we can, what will probably be the contribution that our colony will have to make to the cost of the Federal Government?—Of course, those expenses will very largely be made up of what we call the cost of the transferred services, such as the postal and telegraphic, telephonic, lighthouse services, and, of course, the cost of collecting the Customs duties. The cost of the Federal Government is a matter upon which we can give you fairly definite views, but in regard to other matters perhaps you know as much as we do.

12. *Mr. Beauchamp.*] There are certain works of a national character to which we understand each State will be called to contribute its quota. There is the question of a trans-continental railway, for instance?—That is a matter, of course, which has to be considered. There is no definite proposal with regard to it yet. It has been stated in the newspapers that a definite scheme has been approved of. Mr. Barton, in his Maitland speech, said he was in favour of a trans-continental railway on the route suggested by Sir John Forrest some years ago, which presents a good many advantages; but the whole matter would have to be carefully inquired into—first, as to the propriety of adopting that route; secondly, as to the cost; and, thirdly, as to the conditions which might have to be made with the colonies through which it passed, as to their contributions, and as to its cost. I think there must be a trans-continental railway.

13. *Hon. the Chairman.*] There is the question of the admission of New Zealand, if we decided to enter the Federation, on the basis of an original State?—As to that point, I can say now, at once, that we are only too anxious that you should come in, certainly on no worse a footing than that of an original State. Our desire would be, if possible, that some arrangement of that kind should be made; and, with regard to New Zealand getting special terms as to the construction of the works referred to, I think there might be good ground for reasonable discussion on that matter: that if you were to contribute to works affecting this continent specially you should have a contribution towards something that affects the whole of your colony.

14. *Hon. Major Steward.*] There is one other special point: the exclusion from count of our Maori population, who are on the same footing as the Europeans. We wish to know if provision could be made, in the event of our joining the Federation, for including the Maoris in the count?—There is a provision in the Constitution enabling conditions to be made; but there are certain conditions which could not be made—for instance, equality of representation in the Senate, and other matters, which cannot be altered. But these are matters which are well worthy of discussion, because it could not be expected that you should be placed in a worse position as regards entrance to the Commonwealth than other people.

15. *Hon. Mr. Bowen.*] It is a question as to the possibility of obtaining conditions in certain respects, such as were obtained by Western Australia—whether the Commonwealth would be inclined to entertain any question of that sort?—It would be very difficult for me to express an opinion on those matters.

16. *Mr. Leys.*] There is a feeling that, the administration being at such a distance, the tendency would be towards inefficiency. Your views on that question would be of value?—As a matter of fact, you are really closer to us than Western Australia is. We can get to you in less than four days.

17. But we look forward to the time when Western Australia will be more closely connected with Sydney than New Zealand is now. Then, the question of appointments comes in: how would they be made?—No doubt there must be some special centralisation with regard to New Zealand. Efficiency would certainly demand something of that kind.

18. Then, there is the probability of the powers of the States being gradually absorbed by the Central Government. There is a feeling in New Zealand that there is a common interest among the States of Australia that will lead to the gradual absorption of many State powers, such as a common interest in railway-construction and in the development of tropical Australia, and that the interests of New Zealand might suffer?—Yes, excepting that New Zealand must share in the prosperity of Australia; and, as a set-off against the development of tropical Australia, I think we

ought to look forward to the time when Oceania will be embraced in Australasia. All those islands will probably be attached in some degree to the Commonwealth, and New Zealand will be much closer to them than the continent is. No doubt, in dealing with the continent in the matter of the centralisation of administration, there would be advantages which we would specially reap; but, on the other hand, in dealing with the outlying islands and portions of the Commonwealth, New Zealand would have an advantage which would counterbalance the other. But these are matters which are too distant at present, although they may become urgent at any time. We have had communications from Mr. Seddon on several very important questions connected with these islands, as to the disputes between the French and Great Britain in the New Hebrides—disputes which seem now to be at such a point that they may become critical at any time, and the position of Australia and New Zealand in relation to them may become very much altered.

19. *Hon. the Chairman.*] Is there a possibility of the Industrial Conciliation and Arbitration Act being passed by the Federal Government?—That is down in our programme, and I think it is a matter which will have to be carried out at an early date. It is only when an industrial dispute spreads beyond a State that we can have anything to do with it—such disputes as those concerning the shipping trade, wharf-lumpers' union, and coal-mines.

20. *Hon. Captain Russell.*] Some people in New Zealand hold the view that, if such an Act were passed here, labour in Australia being on a different plane to what it is in New Zealand, probably our industrial classes would suffer, and they are fearful on that point of federation?—I do not think that there need be any apprehension on that point. Public opinion in Australia is so very strongly in favour of the adoption of some method such as you have adopted that I do not think it will be very long delayed.

21. *Mr. Beauchamp.*] We should like to have your opinion as to whether it would be necessary for the Federal Government to take the whole 25 per cent. of the Customs revenue which will be collected from each State for the first ten years?—Under the "Braddon" clause, 25 per cent. is the limit of the accrued revenue the Commonwealth is entitled to apply towards its expenditure, and should the expenses be less than 25 per cent. each State gets credit for the balance. There is no difficulty to be apprehended on that score. I think you will find that there will be a strong pressure in favour of economy in regard to all matters of administration.

22. *Mr. Reid.*] How far is the right of appeal to the Privy Council affected by the constitution of the Federal High Court?—With regard to the powers of the High Court and the appeal to the Privy Council, the position of the matter is this: that in all cases first of all there is an appeal to the High Court, which is a voluntary appeal.

23. It is not exclusive?—No; in all matters coming from the State Courts it is optional. In matters which come within the range of jurisdiction of the Federal Courts it is dependent on the statute which would be passed whether it would be made exclusive or not. Of course, in these cases there will be an appeal to the Privy Council only under certain conditions. The High Court may certify that the case is one which ought to go to the Privy Council in England, and, of course, it will go on—that is, under section 74; but, as a general rule, with regard to all appeals from the State Courts, the appeal would be optional.

24. We have had a difference of opinion in New Zealand on the point; some people there hold that the appeal is exclusive to the High Court?—Oh, no.

25. *Hon. the Chairman.*] As regards the appeal to the Privy Council from the Federal Court, is not that only as to questions affecting the Constitution?—On questions affecting the rights of States in the Commonwealth, as between themselves. In the case of appeals from the High Court, that Court has to certify to the propriety of the appeal. That is the compromise we arrived at.

26. *Hon. Major Steward.*] Do you think the Commonwealth would be disposed to do something towards shortening the journey between New Zealand and Australia in the direction of subsidising fast steamers?—That is a matter that could be discussed.

27. *Hon. the Chairman.*] Is there any probability of the Commonwealth consolidating the debts of the States?—That has never been considered as a matter of Government policy at all. I think we all recognise that at an early period there must be consolidation, and when it takes place it will be a very great advantage to the States and the Commonwealth, but the question has not been considered yet.

TUESDAY, 19TH MARCH, 1901.

T. A. COGHLAN, Government Statistician, New South Wales, examined. (No. 189.)

Mr. Coghlan appeared before the Commission. He answered some inquiries of the Commission, and undertook to make a report conveying his opinions on the various matters referred to. The Commission agreed to treat his verbal replies as "confidential."

13th May, 1901.

ALBERT PITT, Chairman.

Major-General FRENCH, commanding the New South Wales Forces, examined. (No. 190.)

28. *Hon. the Chairman.*] Would you kindly tell us your name?—George Arthur French. I am a Major-General in the Royal Artillery, and Major-General commanding the New South Wales Forces.

29. We are a Commission from New Zealand for the purpose of inquiring into the question of the desirability of New Zealand entering the Commonwealth of Australia, and one matter referred to us is the question of defence: would you kindly favour us with your views as to how the defence of New Zealand would be affected or benefited by federation being established between New Zealand and Australia?—I can only express my own opinion on these matters. On the general question, under the Commonwealth Act the Commonwealth is bound to defend every State in the Union,

and, if New Zealand became a State in the Union, Australia would be bound to defend that State. Now, it is a very serious responsibility for a country without a navy to undertake the defence of a place twelve hundred miles away.

30. Of course, we presuppose that there will be for many years to come an English navy available in these waters?—That is given to us as the first point of consideration; as long as our navy rules the sea, the probability is that all these colonies are pretty safe.

31. In New Zealand the general opinion seems to be that, as far as defence by land is concerned, New Zealand can look after herself; but, supposing it were necessary for a force to be sent from Australia to New Zealand, and England were at war with a naval Power, would it be practicable to send land reinforcements from here to New Zealand?—Quite practicable, as long as England had command of the sea. Everything must be based on that.

32. *Hon. Major Steward.*] Would you be able to spare men from here?—Yes; we have plenty of men here, and we would be able to send transports from Sydney.

33. *Hon. the Chairman.*] Would you kindly state generally what you think would be the duty of Australia in the matter of the defence of the several States, and what you think would be the advantages which New Zealand would derive from a system of Federal defence?—I think the advantage would be altogether on the side of New Zealand. To begin with, New Zealand is peculiarly open to attack, owing to what is now a very great advantage to it—namely, the numbers of its good harbours, which to any Power with a fleet at sea is an important consideration, especially as they offer facilities for disembarking troops. That is not the case in Australia, where the ports are few and far between. Then, again, you have a good supply of the best coal, which would make you an object of attack by any naval Power operating in these waters. That seems to me to necessitate the defence of the important coal ports of Greymouth and Westport.

34. Do you think that we in New Zealand would be open to attack by way of bombardment from the sea, or by way of the landing of a hostile force of any considerable size?—I think you are peculiarly open to the form of attack that might take place from a few cruisers with two thousand or, at the outside, three thousand men on board. You would be very much open to that form of attack.

35. Where would a cruiser that could carry that number of men get coal from?—I do not mean a single cruiser could carry that number, but that would be the total number at the outside that would be landed by cruisers. The cruisers would not carry the men, but they would probably have accompanying transports that would carry the men to be landed.

36. Where would they get their coal from to carry them the distance they would have to come?—If they could not carry their coal transports with them it would be all the more necessary that they should get hold of one of your coal ports.

37. Where are those cruisers likely to come from?—I do not know what Power we may be at war with, but one of the Messageries steamers would carry two or three thousand men at a pinch.

38. Do you think that they could steam from Saigon (in the French China possessions) to New Zealand without recoaling?—It would be a risky business, but they could do it; and you know that there is not any very serious difficulty in coaling at sea from a collier under the lee of an island if you arranged for your colliers to be there. That sort of thing has been proposed and arranged for by a foreign Power already. There are numerous islands in the Pacific, and it would be very easy for a cruiser to arrange for a collier to meet her under the lee of one of them. I see nothing to prevent a foreign vessel of war being accompanied by colliers on such a raid as I have indicated.

39. It is recommended that the defence forces of New Zealand should be raised to eighteen thousand men: do you think that with that number of men available in New Zealand there would be any necessity for obtaining reinforcements from Australia?—Probably not, if the form of attack is merely a cruising raid, as I have indicated.

40. Then, I take it that the advantage you see in New Zealand joining the Federation is that, in respect to the question of defence, we would be better associated with the Commonwealth than if we remain a separate Government?—Yes.

41. Are you prepared to say whether there would be any saving in making the defence of the colonies a Federal matter?—There would be many advantages in that. It would bring all the colonies under one head and one uniform system, and you would probably have one military college for the whole of Australasia. You would have uniform-clothing factories, ammunition-factories, &c., and in that way you would concentrate your efforts very much better than if you were each under a separate system of your own; and, through concentration, there would be a considerable saving in the expenditure, as we should all work under the one system as regards enrolment and the payment of the men.

42. We have a small-arms-ammunition factory in New Zealand, which is a branch of the one in Melbourne: would it be better to maintain a separate factory in New Zealand, or to have the manufacture of ammunition concentrated in one place?—I think, in such an important matter as the supply of small-arms ammunition it should be done by a Government factory. I have always held the view here that you cannot afford to take the risk in time of war of poor ammunition, and therefore the ammunition must be made by the Government, who have no other interest than to make it good; and, of course, the first thing with a private company is to make a profit.

43. *Hon. Captain Russell.*] Then, I understand, General French, that you consider that, so long as England commands the sea, none of these colonies have anything to apprehend?—Nothing serious, excepting raiding attacks by a couple or so of cruisers.

44. If England should by any misfortune lose command of the sea, would Australia be able to send troops to New Zealand?—It is very doubtful. It would be a very risky thing to send troops to New Zealand without an adequate escort.

45. Then, so long as England is mistress of the sea, we can go to sleep?—It then becomes a very simple matter, and you need not fear any serious attack.

46. And what would happen should England lose command of the sea?—Then Australia is in exactly the same position as New Zealand, and it would be a very serious position indeed, because a very large force might be landed; and, as there is no such thing as a fortress in Australia, if a large body of men landed from foreign ships there would be nothing to stop them excepting an adequate body of defenders.

47. You have been in New Zealand, I understand?—Yes, in the North Island.

48. Do you consider that we are a defensible country?—Quite so; but your weak point is your number of fine harbours. I gave Mr. Seddon a confidential report on these matters when I was over there two years ago.

49. Theoretically, I suppose our population ought to be numerous enough, and our country strong enough, to defend ourselves, if we have the pluck to do it?—Quite so, against the form of attack that is likely to come under existing circumstances. The form of attack that we are told is the most probable under existing circumstances—that is to say, the landing of a force of two thousand or, at the outside, three thousand men, who would necessarily have to be infantry, as a foreign Power could not afford to bring down any large number of horses or artillery.

50. And your opinion would be that it would be better, in regard to the small-arms-ammunition factory, to have only one establishment in Australia: in that case, what would happen if our supplies were cut off by England losing command of the sea?—Of course, you should always have a proper stock at all times. You should have between five hundred and a thousand rounds per rifle always in stock.

51. In case of the outbreak of war?—That is what you should have always. You should reckon that as the war footing.

52. Should we not require a constant supply: I am speaking of the possibility of our not being able to get any from Australia in the event of war?—There should always be a sufficient supply kept in the magazines in view of any possibility of that sort.

53. Do you think we should have any need to have a separate ammunition-factory in the Colony of New Zealand if we were federated?—I should not think so, as the whole of Australia would scarcely be able to keep "one" going.

54. You think there is no danger, presuming that England lost command of the sea, of our supply being cut off?—In that case it would be very different; but you should always have a sufficient quantity in your magazines, and also a sufficient supply for your big guns, to provide for a contingency of that sort. The small-arms ammunition lasts a good many years; if you keep on working it over it stands good in this climate for ten and possibly twenty years.

55. Being so far away from headquarters, if they were in Australia, should we not have to have a separate army-corps system in New Zealand?—Yes; you would have a distinct force of Volunteers, with Militia, mounted rifles, and artillery.

56. Would the senior officers in command there be independent of control from Australia?—Practically that.

57. Then, there would not be very much gain in our being connected with a general military system in Australia?—Only in the point I drew attention to—namely, having one system, you would probably have one military college, one ammunition-factory, and a common system generally, instead of having, as at present, seven different systems.

58. In the case of the successful landing of hostile troops in New Zealand, the control, I suppose, would devolve entirely upon our own commanding officer, or would he be practically directed from here?—He would be responsible for the local defences, and we should supply him with assistance in the shape of men and material from here.

59. But do you think we should be in the position of requiring assistance on land from Australia?—I do not think it is in the slightest degree likely, because, as long as England has command of the sea, any attack on these parts can only be from some raiding force.

60. Then, I suppose, if we did not belong to the Commonwealth, and if the occasion arose, Australia would send men to help us should we need them?—No doubt they would, like we sent men to the Cape to help England, and as, I think, we sent to New Zealand during the Maori war. It would be to the interests of Australia that New Zealand should not be allowed to fall into unfriendly hands, or any part of it. But that means that England must have lost command of the sea, and that some great European Power attacked the colonies generally—not a mere raiding fleet.

61. *Hon. Mr. Bowen.*] I gather that General French states that really the first line of defence for us is the navy, and therefore our first expenditure ought to be in the shape of contributions towards the navy?—That is unquestionably the first and most important line of defence.

62. And if the colonies were all to make contributions proportionate to their strength and needs towards the navy, there would be a strong enough navy to protect the whole of these seas?—That is rather a large question, because we do not know what combination of European Powers we may have against England.

63. As these colonies grow in population they will become nations, and their contributions towards the navy would naturally become a big thing?—Yes.

64. And therefore the first consideration is a contribution towards the navy?—The first consideration is keeping up the naval defence somehow, and having around us the strength of the British navy.

65. *Hon. Captain Russell.*] Have you considered the question of maintaining naval reserves out here?—Yes; there has been a good deal of talk about it, but there is not a very large naval force to be obtained here so far as I can see. There are two ships in reserve here, but they have not got the skilled officers for them.

66. I am thinking of the men. I mean, for those ships in reserve, and for which there ought always to be crews ready to be put on board?—We have the men, but we have not got the skilled officers.

67. *Hon. Mr. Bowen.*] You mentioned the fact that New Zealand would be rather an object of attack to the enemy, on account of its good harbours: would not that also mean that it would be a very good place for a defending navy to operate from?—Certainly it would.

68. Therefore we should not have to look to Australia at all for any defence?—I think the only attack would be by a few cruisers, by a mere raiding party; and, with regard to the question of defence by land, the number that has been mentioned of enrolled Volunteers—namely, eighteen thousand—is proportionally far in excess of what we are keeping up here.

69. *Hon. the Chairman.*] We have thirteen thousand enrolled?—Well, at the present moment I do not suppose there are twenty-five thousand enrolled in the whole of Australia, which has four times your population.

70. *Hon. Mr. Bowen.*] Summing up this point, I gather that you consider that as long as England holds the sea there would be no necessity for the transportation of any land forces between Australia and New Zealand?—I should not think so.

71. And if England lost command of the sea there would be no safe means of transport?—It would be risky.

72. *Mr. Roberts.*] Are there any vulnerable points around the coast of Australia?—There are not many good harbours to land at excepting in the case of Queensland, where you have smooth water and good landing-points inside the Barrier Reef. At the same time there are many points where Australia would not be very seriously injured even if the place were taken by a landing force.

73. But you have seen in South Africa that the British army has maintained itself a thousand miles away from its base at Capetown?—Yes; but it took a tremendous quantity of men to do it. In my opinion Fremantle is about the most vulnerable point of attack in Australia. It has no means of defence, and it is quite away from the ordinary cruising-grounds of the Australian squadron.

74. *Mr. Luke.*] Do you think that, in addition to providing the batteries we are now providing in New Zealand, we ought gradually to supplement the British navy by contributions towards ships of war?—I think it would be a very good way of applying our money towards the defences—by strengthening the navy.

75. *Mr. Reid.*] With regard to naval defence in New Zealand, probably you are aware, General French, that the principal coal ports or bar harbours are difficult of access by large ships of war?—No, I have no correct information on that point.

76. That is the fact—the principal coal ports are bar harbours?—Could not ships go in at high water?

77. Yes, vessels of a certain draught, but they require to be piloted in?—Well, very few of the cruisers now draw under 22 ft., and probably no big vessel could get in; but smaller ones could.

78. *Mr. Leys.*] Do you think that in the course of time there is likely to be a movement to set up an Australian navy as distinct from the Imperial navy?—I suppose it would come to that ultimately, and I certainly think that we should look forward in time to finding our own men and officers, and manning certain vessels belonging to the Royal navy, and thereby strengthening the fleet.

79. Do you imply that we should build our own vessels?—I do not know about building them; I do not think we could build war-vessels here. England would have to do that.

80. Do you think that ought to be undertaken in any near period of time?—As these countries grow it would be necessary.

81. Do you think it would be better to go on as we are doing now—contributing a certain amount per annum towards the Imperial navy, and the Imperial Government finding certain ships, which they control—or should we provide and control these ships ourselves?—I think our present system is an excellent one, and we get good value for your money. Increasing the expenditure in that direction would be a very good way of supplying some of our deficiencies in the matter of defence.

82. You do not see any probability that that system will be changed soon?—You get very good value for your money here, and you have a strong fleet without any considerable extra expenditure, and that fleet can be extended to any degree if the colonies like to find the money.

83. You think the system works efficiently?—I think so. There is no mistake about it, the navy is our first line of defence here.

84. *Hon. Major Steward.*] Would it not be better for the colonies to increase their contributions, and have in return a much stronger naval squadron in these waters, than to attempt to set up a naval squadron of their own?—I think so.

85. Is there any probability of a Commonwealth squadron being established within a short period of time?—I do not think so.

86. So that in the near future in New Zealand we shall still have to rely upon the Imperial fleet, as we do now?—I think so.

87. I suppose you know, as a matter of fact, that all the leading European Powers are just as cognisant of the facts about our harbours as we are ourselves?—No doubt they are.

88. And in the event of any difficulties arising they would probably have the means to send ships here?—In the event of any difficulty arising they would be at a disadvantage in regard to obtaining coal-supplies.

89. In the contingency—which we all hope is remote—of England losing command of the sea, and of New Zealand becoming an object of attack, presumably Australia would be attacked too; and could she spare men, after providing for her own defence, to assist New Zealand?—If we were satisfied that the enemy's main attack was on New Zealand, I suppose we could. We would be bound to do all we possibly could to help New Zealand under the Constitution Act.

90. But if we were an object of attack, because of our connection with the Empire, you your-

selves in Australia would also be equally an object of attack?—Yes, excepting that, I take it, New Zealand, by reason of her numerous harbours, would be more likely to be attacked than Australia.

91. *Hon. the Chairman.*] Do you look forward to-gun ammunition being manufactured by the Commonwealth at any date?—Later on, yes.

92. And to the establishment of an arsenal?—Yes; we ought to gradually look forward to making all our own clothing, saddlery, warlike stores, and everything possible. I would not go to the length of making guns, because that means an immense plant, and the requirements would not be sufficient to make it pay.

93. What amount of ammunition is allowed per man for practice in the Volunteer forces in these colonies, beyond the regulation amount to be expended periodically on musketry practice?—It varies greatly, but it comes to about two hundred rounds per man.

94. What is the price of ammunition to the Volunteers here?—We give it to them at half-price.

Interview with the Right Hon. E. BARTON, K.C., Prime Minister of the Commonwealth.
(No. 191.)

[This report has not been corrected by Hon. Mr. Barton.]

96. *Hon. the Chairman:* I might explain, Mr. Barton, that we are a Commission from New Zealand, appointed by Parliament to make a report on the subject of New Zealand federating with Australia, and we have sought this interview for the purpose of ascertaining from the Federal Government what advantages New Zealand would derive by entering the Federation. We shall esteem it a favour if you would kindly give us your views on the matter.

Hon. Mr. Barton: To begin with, the most important section in the Constitution Act with regard to New Zealand appears to be section 121, which states: "The Parliament may admit to the Commonwealth or establish new States, and may upon such admission or establishment make or impose such terms and conditions, including the extent of representation in either House of the Parliament, as it thinks fit." That seems to be the initiatory provision. Of course, Western Australia is an original State, and there was a special clause—No. 95—drafted for the purpose of meeting her case. What you want to know, I presume, is whether the clause I have just read covers the case of a State wishing to enter on special terms. It is a very difficult question to answer, because of the existence of another clause—No. 92—which reads: "On the imposition of uniform duties of Customs, trade, commerce, and intercourse among the States, whether by means of internal carriage or ocean navigation, shall be absolutely free." The question that arises there seems to me to be whether clause 92 relates to the state of things which would be in existence in the Commonwealth after the Federal tariff is imposed. Under the Commonwealth, as it will then exist, the imposition of uniform duties of Customs will bring about inter-State free-trade in the Commonwealth.

97. *Hon. the Chairman:* But that would not apply to Western Australia, would it?

Hon. Mr. Barton: I was going on to say that section 95 obviates the application of that provision to Western Australia, because it states, "Notwithstanding anything in this Constitution, the Parliament of the State of Western Australia, if that State be an original State, may, during the first five years after the imposition of uniform duties of Customs, impose duties of Customs on goods passing into that State, and not originally imported from beyond the limits of the Commonwealth." Then, the question arises whether, upon the subsequent admission of New Zealand as a State, or the subsequent negotiation for admission as a State, it would be possible to institute negotiations on that subject for the purpose of establishing a *modus vivendi* for intercolonial free-trade for a period after the admission of New Zealand, and as a condition of admission. I should not like to give a very positive opinion on that point, but the trend of my opinion is that the Commonwealth would have power to negotiate upon the question, and to arrive at terms with New Zealand.

98. *Hon. the Chairman:* Without making any amendment in the Constitution?

Hon. Mr. Barton: Yes, of course. There remains another thing to be considered. This is an Imperial Act. Although its terms were made here, its form of law comes from England; and the question is whether, with the consent of both parties to the negotiations, the Imperial Parliament could not declare what the intention of the Act was by a short declaratory measure—that is, to say that the intention was that this wide power of negotiation should exist.

99. *Hon. the Chairman:* But do you not think the Colonial Government could amend the Constitution Act?

Hon. Mr. Barton: We can amend the Constitution Act, but that involves obtaining an absolute majority in both Houses of Parliament, and a State and general referendum—a majority of the States and a majority of the people.

100. *Mr. Reid:* But, apart from that, does it not come within the general terms of section 95, which provides that anything that is necessary for the giving effect to this Constitution the Commonwealth Parliament would have the power to legislate on?

Hon. Mr. Barton: I should not like to commit myself to the opinion that that matter was intended to come under this section; but I think, by agreement between Australia and New Zealand, a declaratory act might be obtained from Great Britain explaining the intention of this clause to be that the wide powers of negotiation given included the power to negotiate on a subject of that kind. That, I think, would be the preferable way. I do not say it without doubt, but I think the intention was to give these wide powers of negotiation.

101. *Hon. the Chairman:* The next important point we wish information upon is the question of the absorption of the State powers by the Federal Parliament and Government.

Hon. Mr. Barton: That matter is entirely regulated by the Commonwealth Act itself. We have under section 69 provided that the control of the Customs shall be automatically taken over

on the establishment of the Commonwealth, and that was done on the 1st January; and also that, with regard to the following departments, they shall be taken over on a date to be proclaimed by the Governor-General after the establishment of the Commonwealth: (a) Posts, telegraphs, and telephones; (b) naval and military defence; (c) lighthouses, lightships, beacons, and buoys; (d) quarantine. Those departments may be taken over, as I have said, at such dates as may be named in a Proclamation by the Governor-General, and two were taken over on the 1st instant—namely, posts, telegraphs, and telephones, and naval and military defence; but, apart from the matters mentioned in section 69, there are no departments which go over to the Commonwealth Government from the States, either automatically or under Proclamation. No other departments can be affected; and the powers of the Commonwealth Parliaments are regulated by section 51, which contains the twenty-nine subsections with respect to which the Parliament has the exclusive power to make laws for the peace, order, and good government of the Commonwealth. The Commonwealth has the power to make laws on those subjects, and that power extends so far that a law passed providing for the Commonwealth taking over the existing departments in all the States that deal with any or all of these matters would be a valid law; but it does not operate on the question of the posts, telegraphs, and telephones, defence, or Customs, which are specially legislated on, and they are matters which, I think, we all agree there might well be uniformity of legislation on. There are also a few subjects, such as banking, copyrights, bankruptcy, and insurance—mostly mercantile matters—which are common to all the States, and in regard to which uniformity is also desirable. There are also a few subjects outside of these which are of primary importance, such as emigration and immigration. On the question of the character of the immigration which should be allowed, I take it that the ideas and sympathies of New Zealand and Australia are practically identical. If one may judge from the conversations I have had with Mr. Seddon, I should think that our objections to alien races and New Zealand's objections are practically the same, and that we have the same desire to preserve the "European" and "white" character of the race.

102. *Hon. the Chairman*: Have you the same conditions here with regard to the restriction of the Chinese as we have?

Hon. Mr. Barton: We have an Act similar to the Natal Act, which requires the ability to read a certain phrase in the English or European language. Mr. Moore, who represented that colony at the celebrations, was rather pressing in urging legislation on that subject as soon as possible, because he said they had found that a good deal of the evil had been done before they passed their Act, and it was likely to lead to serious trouble hereafter.

103. *Hon. Captain Russell*: Have you thought about the possibility of alien races coming into tropical Australia, of the difficulty of restraining them, and the difficulty of settling that part of the country with a white population?

Hon. Mr. Barton: Yes; and we are very much exercised at present on the question of a "white" Australia. The distinct majority of opinion in Australia is in favour of preserving the character of the race in the way I have named. I think the objection to Asiatic races is even stronger than to the South Sea Islanders, but the objection extends to the South Sea Islanders, although, looking at the importance of the sugar industry, there is more tolerance on the part of all classes towards the kanakas than towards such people as Chinese and coolies.

104. *Hon. Captain Russell*: I allude to the possibility of a European race residing permanently in the tropics and continuing to beget their species.

Hon. Mr. Barton: Can you give me an illustration of that, Captain Russell?

105. *Hon. Captain Russell*: It has been much in my mind that in no tropical country in the world has a European, much less an Anglo-Saxon, been able to live and labour continuously, and it seems to me that that will be the difficulty you will have to meet in settling tropical Australia: has that occurred to you?

Hon. Mr. Barton: We do not anticipate any such difficulty, because, so far as we have gone in tropical Australia, we do not find that there is any inability in the case of the white man to live and to multiply. As to what effect climatic conditions may have in regard to preventing the race increasing in future generations, of course it is impossible to predict; but, so far as we have gone at present, we do not find that difficulty arising. Of course, we need not go into the question of kanaka labour in the tropics, excepting so far as New Zealand is affected by it; but the matter comes to this: that, so far as we can gather information on the subject, the one party in Queensland state that the importation of kanakas cannot be of indefinite continuance, and the other party will be satisfied with the recommendation of, and imposition of, some definite term of duration for its continuance. Therefore the difficulty arising in that respect in Queensland is not really so great as it seemed to be a while ago.

106. *Hon. Captain Russell*: I do not allude to the desire of Australia, but the possibility of the tropical part being occupied by Europeans?

Hon. Mr. Barton: As to that, I fancy science will have a great deal to do with the solution of the question. Cane-cutting hitherto has never been done excepting by black labour; machinery will in time do it, and overcome the difficulty which has been experienced in that respect, and I think that science will be successful very soon in the devising of the machinery required. In all the other branches of the sugar industry, such as the labour in the mills, white labour does the work. We have white men in the mills, and, although in many cases while at work they are stripped to the skin, there is no obstacle to their doing the work.

107. *Hon. Captain Russell*: Then, the fact of there being no record of European labour becoming permanent in the tropics does not cause you to be afraid of any such difficulty occurring in Australia?

Hon. Mr. Barton: We do not think it is going to cause as much trouble as was at one time anticipated. You have men working underground in Charters Towers, and the climate there underground is as trying for a man to work in as any climate you will find. The position is this:

One side complain that the white man will not work—the planter says the white man will not work in the cane-fields; and in the majority of cases the white man does not deny that he can work, but he says that “he will not work side by side with black men.” In the carrying-on of railway-construction, however, in that climate white labour is exclusively employed.

108. *Hon. Captain Russell*: What is going to happen three or four generations hence?

Hon. Mr. Barton: I do not know, nor have I heard that there is any scientific prognostication that the race is going to decay if it works in the tropics.

109. *Hon. Captain Russell*: I do not know of any tropical country in the world where there has been a permanent occupation by the working Anglo-Saxon, do you?

Hon. Mr. Barton: I have not gone as deeply into the subject, probably, as you have, Captain Russell.

110. *Hon. the Chairman*: With regard to the absorption of the State powers by the Federal Government, do you think there is danger in that respect? There is the case of the railways and public debts: what is the position with regard to them?

Hon. Mr. Barton: In the case of railways, the Federation cannot take over any railway without the consent of the State concerned. That is provided for by the 33rd and 34th subsections of section 51, which state: “That the Parliament shall have power to make laws (a) with respect to the acquisition, with the consent of the State, of any railways of the State on terms arranged between the Commonwealth and the State; (b) and with respect to railway construction and extension in any State, with the consent of that State.” The consent of the State is imperative in every case, and it is only fair to look at the probabilities: it might be advisable in the future to ask the consent of a State for the purpose of carrying out the complete trans-continental system. We do not know whether that is going to be done in the immediate future or not, but it is not a question which arises in the case of New Zealand at all, and I should say, speaking from the common-sense point of view, that the desire to acquire the railways of a State which is separated by a sea-voyage from Australia would not be so strong as in the case of railways from State to State, which are really a necessary part of the existence of the States.

111. *Mr. Beauchamp*: With regard to the trans-continental railway, do you infer that New Zealand would not be called upon to contribute any quota at all to the cost of that?

Hon. Mr. Barton: That all depends on the terms on which the trans-continental railway is built. We do not know on what terms as regards South Australia or Western Australia it might be built, but we must have the consent of both States before it can be built at all, and that principle underlies the whole question in the main. We do not know what the terms would be. All we have expressed, or may express, is that there is a tendency in favour of giving a means of communication to the isolated western States, as a matter of justice, if it can be done on terms that are not unjust to the rest of the Commonwealth. That governs another question you asked Mr. O'Connor—as to the Commonwealth contributing to the cost of a swift intercolonial steam-service in the event of New Zealand contributing towards the cost of a trans-continental railway and other Federal projects. I suppose the intention of the question was that if you had to contribute towards a trans-continental railway you would have a claim to a swift intercolonial steam-service?

112. *Hon. Major Steward*: Yes, so as to do away with one of the chief objections to federation from the New Zealand point of view—the question of distance.

Hon. Mr. Barton: Recollect that Western Australia has twice as much objection in that regard as you have. If there is a trans-continental railway, and it is a matter which demands close consideration, as we have stated in our “manifesto,” it still means that the distance would be longer from Western Australia to Sydney than from New Zealand to Sydney, and in that respect Western Australia would still be worse off than you even are now under present conditions.

113. *Mr. Beauchamp*: But her boundary is coterminous with that of another State?

Hon. Mr. Barton: Yes, when she gets there.

114. *Hon. Major Steward*: But trains are running every day, while steamers are not?

Hon. Mr. Barton: As regards that matter, we have steamers running twice a week to London, and you have very frequent communication between yourselves and Australia. Western Australia also has fairly frequent communication, but the train would not necessarily run every day to Western Australia, because we have trains from Sydney to the western States which only run two or three times a week.

115. *Hon. the Chairman*: Do you think the Federal Government, if it takes over, with the consent of the States, the several railways in Australia, would be likely to leave out the railways in New Zealand?

Hon. Mr. Barton: It would depend on the intention with which they took them over. If they took them over for the mere purpose, in the first place, of abolishing the gauge difficulty, and not with regard to their value for defence and postal purposes, none of these questions would apply with the same strength to New Zealand. Of course, the larger the area of the country the greater the importance of these questions, and with the small area of New Zealand their importance is not nearly as enhanced as in the case of Australia.

116. *Mr. Leys*: But you might take over the railways by an amendment in the Constitution?

Hon. Mr. Barton: Oh, in that case they would have to go through the course prescribed by the Act—an absolute majority of both Houses, and a double referendum.

117. *Mr. Leys*: Does clause 128 require a majority of both Houses?

Hon. Mr. Barton: It requires a majority of each House, taken separately, and then the proposal is to be submitted to the electors in each State, but there is a provision in the Act to which I would call your attention; it is as follows: If there is a proposal for amendment of the

Constitution, and one House passes it by an absolute majority, and the other House rejects or fails to pass it, or makes an amendment that is not agreed upon, and if after an interval of three months the introducing House again passes it by an absolute majority in any of the forms in which it has been submitted, it may be submitted to the electors in each State—that is to say, in connection with the proposed amendment, if either House fails to reject or pass it, or makes any amendment which is not agreed to, it may go to a referendum of the people, under which an absolute majority of the States and of the electors is required.

118. *Mr. Leys* : Does not that take the control from the Senate and leave it to the popular vote?

Hon. Mr. Barton : It dilutes the control of the Senate to a certain extent, but I take it that the Senate—or, rather, the Upper House—is intended to be on a popular footing.

119. *Hon. Captain Russell* : Take the case of Victoria, New South Wales having the dominant vote: if they could carry one other State with them they could divide the Senate, could they not?

Hon. Mr. Barton : Do you mean in regard to the amendment of the Constitution, or in the case of an ordinary law?

120. *Hon. Captain Russell* : The amendment of the Constitution?

Hon. Mr. Barton : Yes; but they cannot divide the Senate, because if the referendum is taken, and New South Wales and Victoria were joined together, they have a great deal more than half the population, and if the referendum showed that a majority of the people of the State and a majority of the States were against the proposed amendment it would be lost. In the taking of the referendum, if a majority of the States are against the amendment the amendment is doomed, although the smaller States were in favour of it; so that I think the control of the Senate may be passed over until you get down to the referendum, which finally decides the matter.

121. *Mr. Leys* : Is there not a probability that in the transfer of certain powers to the Federal Government under the popular vote, although there might thereby be a gain to Australia, it would be to the disadvantage of New Zealand?

Hon. Mr. Barton : It is quite conceivable that it might be so, but any disadvantage to New Zealand would also apply to Queensland, New South Wales, Victoria, Western Australia, and South Australia. New Zealand is not going to suffer under any greater disability than any other State.

122. *Mr. Leys* : Of course, the idea is that there is a common interest in Australia which does not apply to New Zealand. Take the difficulty relating to the tropical question and to the administration of the lands: you might require to transfer the control of the lands to the Federal Government?

Hon. Mr. Barton : They would never do that. There is not a State in regard to which for any number of generations we can forecast that there will be the slightest idea of interfering with the control of the lands; but, of course, you can put supposititious cases, and if you view the matter in that light anything is possible.

123. *Mr. Leys* : And you think there is no probability of the Federal Government going in for a great scheme for developing the tropical lands?

Hon. Mr. Barton : No. If they tried to take the control of the lands of a State they are met by another section, which I will read: "No alteration diminishing the proportionate representation of any State in either House of the Parliament, or the minimum number of representatives of a State in the House of Representatives, or increasing, diminishing, or otherwise altering the limits of the State, or in any manner affecting the provisions of the Constitution in relation thereto, shall become law unless the majority of the electors voting in that State approve the proposed law." (Clause 128.)

Mr. Leys : Would that prevent them from administering the lands?

Hon. Mr. Barton : Supposing we wanted to administer the tropical regions of Queensland, it might be that the mere veto of the State of Queensland would defeat it.

125. *Hon. Captain Russell* : But under the referendum could you not alter all that?

Hon. Mr. Barton : Under the referendum you can alter anything.

126. *Mr. Leys* : There is this consideration: that a popular vote might bring about an amendment of the Constitution for the good of the Continent of Australia, but to the disadvantage of an isolated State like New Zealand.

Hon. Mr. Barton : Of course, it is quite possible, but it is advisable to consider in what direction it might be made. You have to look not only to what is possible, but what is probable.

127. *Mr. Leys* : Take the development of tropical Australia?

Hon. Mr. Barton : You are now talking of a territory which you consider would be developed to the injury of New Zealand. Do you mean that they might take part of tropical Australia and make it a Federal territory, and administer it under black labour in such a way that you would be taxed and yet get no advantage from it?

128. *Mr. Leys* : Yes; your revenues are derived from Customs and excise, and they might take that revenue for carrying out such a scheme, which would be of no practical benefit to New Zealand?

Hon. Mr. Barton : I do not see how, I must confess. I am a little bit at a loss to understand these forms of argument, because we never reckoned on such speculative questions as these. I never heard of them before, and they never entered into our thoughts in drafting the Constitution.

129. *Hon. Captain Russell* : Do you think the States will uphold their powers, or that there will be a tendency on the part of the Central Government to absorb the powers of the States?

Hon. Mr. Barton : I quite feel that the tendency of the States will be to hold on tight to their powers, and that feeling is at the present time stronger in the minor States than in the more populous State of New South Wales.

130. *Hon. the Chairman* : In New Zealand we have had the experience of the provinces being absorbed by the General Government, and that is the reason for bringing forward these speculative questions?

Hon. Mr. Barton : Yes ; but in the instrument giving you your present form of government the lands were placed under the control of the Central Government, and under our Constitution the lands are absolutely and permanently excepted ; so that I do not see how your argument can lie in regard to the agreement of two Constitutions which in their essence are absolutely in accord on that point.

131. *Mr. Leys* : As far as the analogy goes, the provinces were abolished by popular vote. There was an appeal to the country, and the abolition followed on that appeal. A similar appeal seems to be provided for here?

Hon. Mr. Barton : A very different appeal indeed, is it not, because your appeal was not an appeal to the electors, but to the ordinary methods of dissolution?

132. *Hon. the Chairman* : Assuming the Federal Parliament were to legislate on the whole of the thirty-nine matters which are mentioned in section 51, the thought that occurs to us is, what would there be left for the States to do? Would not their occupation be gone?

Hon. Mr. Barton : No, I should not think so.

133. *Hon. the Chairman* : Well, practically gone?

Hon. Mr. Barton : No, not practically gone ; the essence of government is territorial government, and the passing of these thirty-nine Acts would not interfere with your territorial government at all ; not that the Government would not be less by the amount of the Customs, but you would still have the thousand-and-one internal arrangements that are practically left to you, and which would enable you to deal with laws which would supply all those arrangements, notwithstanding if certain mercantile questions were made the subject of a uniform law, which would be for the benefit not only of a man in New Zealand, but of a man in Sydney.

134. *Hon. the Chairman* : Yes ; but our commercial laws are practically one now?

Hon. Mr. Barton : To a large extent that is so ; but the advantage of a Federal law is that it operates equally in every State of the Union, and not in the State in which it is passed only. Take the questions of banking or bankruptcy, or laws relating to weights and measures : you could not arrive at any identical forms for legislation on subjects of that kind if you dealt with them separately in each State, and that is one reason why federation would be a benefit. In fact, the advantage to business-men is so evident that it does not admit of argument.

135. *Mr. Millar* : Assuming that you passed a local government Bill, would it apply to all the States and override their present local government Acts?

Hon. Mr. Barton : We could not pass a local government Bill.

136. *Mr. Millar* : Yes, if it were remitted to you by the States?

Hon. Mr. Barton : But only by those States which remitted it, and it can only be made applicable to other States if they consent. Section 51 says, "The Parliament shall have power to make laws for the peace, order, and good government of the Commonwealth in respect to matters referred to the Parliament of the Commonwealth by the Parliament or Parliaments of any State or States, but so that the law shall extend only to States by whose Parliaments the matter is referred, or which afterwards adopt the law."

137. *Mr. Millar* : I notice that your Press is already trying to create a feeling in favour of reducing the number of members here?

Hon. Mr. Barton : We have not a full system of local government in New South Wales, but only an optional system, and it is a matter that applies more particularly to New South Wales ; people have conceived it to be more to their interest to have roads and bridges made out of the public funds rather than to be taxed for them. We want to see local government here, and a large number of people want to see the number of members of Parliament reduced ; but that is only a New South Wales matter, and ought to be the subject of a New South Wales statute. With regard to the abolition of the provinces, the difference is this : that in your case you legislated for the destruction of autonomy, and here we legislated for the preservation of it. Of course, there is no doubt that there must be subjects of common concern under a common authority, and regulated by the Central Government ; but I do not think that we have, taking all those thirty-nine sections, one matter amongst them which may be described as purely a matter of local concern.

138. *Mr. Leys* : Do you think there will be a tendency to widen the functions of the Central Government, and to legislate on such subjects as are relegated to it, and not to interfere with such matters as are purely local?

Hon. Mr. Barton : I should say that not for very many years, or in our time, will there be any attempt to go beyond these thirty-nine powers which are set out in section 51 ; and recollect that the 38th and the 39th subsections of that section deal practically with incidental powers, and the 36th is a mere matter of drafting. The 37th refers to matters which requires the concurrence of a State or States. Take those away, and you have left the remaining ones, which include matters relating to departments which are already taken over. Take the question of astronomy and meteorology : is it not advisable to pass a uniform law dealing with those matters? because in making these observations the assistance of the Telegraph Department has to be called in, and that department has already been taken over by the Commonwealth as a department of common concern, and the State Government could not deal with it to the extent it would like, because it has been taken over by the Federal Government.

139. *Hon. the Chairman* : There is another important question which we should like your opinion on—viz., the question of the native races being counted in the representation?

Hon. Mr. Barton : That is a matter which would demand the very greatest care before you went in for federation. There are two sections in the Act referring to it—section 127, which

states, "In reckoning the numbers of the people of the Commonwealth, or of a State or other part of the Commonwealth, aboriginal natives shall not be counted"; and section 25, which states, "For the purposes of the last section, if by the law of any State all persons of any race are disqualified from voting at elections for the more numerous House of Parliament of the State, then, in reckoning the number of the people of the State or of the Commonwealth, persons of that race resident in that State shall not be counted." That, I take it, would not apply to New Zealand, because it only applies to cases where, by the law of a State, all persons of a particular race are disqualified. It does not apply to your Maoris. The word "or" has a significance. It refers to the exclusion from the reckoning, for the purposes of clause 24, of races which are entirely and absolutely disqualified.

140. *Hon. Major Steward*: Then, our Maoris would count?

Hon. Mr. Barton: No; if you look at clause 127 you will see that in reckoning the numbers of the people of the Commonwealth it states that aboriginal natives shall not be counted. That clearly does not apply, as far as I can see, to the apportionment of the numbers of the people necessary to make up the quota for the House of Representatives, because the aboriginals which are in the State may be called into question; that matter has been dealt with by clause 25.

141. *Hon. Major Steward*: Would it not apply to the referendum?

Hon. Mr. Barton: That is the particular point I am coming to; it might apply to the referendum. It is quite probable that if New Zealand desired to join she might require that that point should be cleared up, and in justice it ought to be cleared up. And, in so far as you yourselves have allowed, and utilised, the votes of the Maoris, I can quite understand that you would be very unwilling to enter into a federation in which your law in that respect, which is part of your original Constitution, were not respected; you would certainly feel yourselves justified in not accepting admission unless that provision were altered.

142. *Hon. Mr. Bowen*: The Maoris are more largely represented with us proportionately than Europeans. There are four Maori members, and the Maori population is only about forty thousand.

Hon. Mr. Barton: It is a point, I take it, of extreme importance, and I should, of course, be entirely sympathetic in anything which would recognise existing conditions which were part of a settlement as between race and race.

143. *Mr. Beauchamp*: Would the Federal Government recognise those conditions?

Hon. Mr. Barton: I think they would meet you. That is one of the principles the Federal Government would be inclined to recognise on the broad question of national honour as between race and race, and anything which would clear up that matter would be a Commonwealth matter. We understand that this question operates only in New Zealand, and with a diminishing race, and that it is part of a solemn covenant you have entered into; and in the settlement of that question, if a demand were made that the Maoris should be counted as integers of the population, that demand would certainly have to be taken into serious account.

144. *Mr. Beauchamp*: Are you prepared to give us your opinion as to the probability of the early enfranchisement of women throughout the Commonwealth?

Hon. Mr. Barton: The intention of the Government is to endeavour to pass an Act for that purpose before a second appeal to the people. We cannot have it now. Of course, the ordinary practice is, when you pass an Act for the reform of the franchise, to dissolve Parliament; but in the present case there is so much work for the first Parliament to do that it is impossible to pass it this session and then dissolve; the endeavour would be to pass it before another general election should come on.

146. *Mr. Leys*: Could you indicate to us the intention of the Federal Government with regard to passing a Conciliation and Arbitration Act?

Hon. Mr. Barton: That we have on our programme, and it is in the hands of Mr. Kingston. I do not know whether you know his legislative history, but he is one of the strongest democrats in Australia. That Bill, I have no doubt, will be ready before Parliament meets.

147. *Mr. Leys*: As to the appointments to the Civil Service, how would youths from New Zealand who might aspire to enter the Federal service be situated? Would they be placed at a disadvantage by reason of their distance from the seat of government?

Hon. Mr. Barton: I should say they would be less prejudiced than the youths of Western Australia, who are farther away still, and the difficulties in your case would be less than in the case of Western Australia, even if they had the trans-continental railway. And if New Zealand joined as a State there would not be the slightest objection on the part of the Federal Parliament, if I might forecast what the Federal Parliament are likely to do, to saying that some representative from New Zealand should be a member of the Federal Ministry, in which case you would have your own guardian of your rights.

148. *Mr. Leys*: Is there any basis for admission to the Federal Civil Service?

Hon. Mr. Barton: No; there cannot be a basis until we pass a Civil Service Act. We have a Civil Service Bill in preparation, the main principles of which I hope will be that, while there will be an entrance examination, examinations for promotion will not take place in abstruse subjects which are not likely to be wanted, but on subjects which the candidate is likely to be exercised in in his practice, and "merit" will have a stronger claim than any other qualification.

149. *Mr. Leys*: Would not the distance of New Zealand necessitate something like a separate administration of such departments as Telegraphs and Post Offices?

Hon. Mr. Barton: There would be to a certain degree a separate administration. Of course, there will have to be a Federal Postmaster-General, and a deputy for each of the other colonies, who will have to be a permanent head in each State; but the deputy must have a little more power than a permanent head, who has as yet never been intrusted with it. I do not see how that can be avoided, because he must have occasion to act without being able to consult his

Minister. The whole thing points in the direction of enlarging the powers of the permanent heads, unless you go in for political Under-Secretaries.

150. *Mr. Leys* : In New Zealand telegraph-offices have been placed in places where there is no chance of their paying, but simply to meet the demands of settlement: how would claims like that be dealt with?

Hon. Mr. Barton : I should say the tendency is certainly not to take away facilities already granted.

151. *Mr. Leys* : I was looking rather at the claims for telegraphic facilities?

Hon. Mr. Barton : I do not see any chance for niggardliness in those questions, but I think the tendency would be to increase the facilities in every direction. My personal view is strongly in favour of that. If you can do that without seriously hampering the Commonwealth revenue you are bound to do it.

152. *Mr. Leys* : It does hamper it?

Hon. Mr. Barton : It does to a certain extent; but I see from an article of Mr. Ward's in the *Review of Reviews* that you are going to get out of that difficulty. From that article I take a very hopeful view of the future of the Commonwealth.

153. *Mr. Beauchamp* : As regards the Civil Service, is it possible that the Civil Service of the Federal Government will be administered by a Board?

Hon. Mr. Barton : I think the probability is that any Act we passed would have a Board to administer it.

154. *Mr. Millar* : Is your experience of the Boards in existence in Victoria and New South Wales sufficiently good to warrant your creating another Board?

Hon. Mr. Barton : That is a very relative question. The Board in New South Wales has very large powers indeed, and I must confess that I was certainly not very satisfied with the early administration of it. I thought there was a considerable degree of harshness in the administration of the Act, and a considerable tendency to save money at the expense of efficiency, but that Board was appointed under conditions which to a large extent compelled them to economize. I do not know that there is anything particular in the precedent of that Board which need give us any fear here. Of course, I very much prefer the system of having an administrative Board for the public service, so long as it is not of too "red-tape" a character, because we all know how terrible the increase to the Civil Service is under unrestricted political patronage. It becomes a burden, and in the different departments the men are falling over one another. I have a very strong opinion that administration by a Board is best, so long as you take care not to give too much away to the Board.

155. *Hon. Mr. Bowen* : With regard to the probable appointment of a New Zealand Minister to the Federal Cabinet, if New Zealand joined, might there not be a little difficulty in the formation of Ministries through the necessity almost, under present conditions, of having to appoint a Minister to represent each State? We have that trouble in New Zealand; instead of finding the best men to represent the colony as a whole, one has to consider the claims of the districts, and so you do not always get the best men: is there not that difficulty to look forward to?

Hon. Mr. Barton : Undoubtedly; I can see what your opinion is, Mr. Bowen, and I do not disguise my feeling with regard to it. I think the time has not yet come when you can depend upon the feeling of the States being sufficiently Federal to tolerate the passing-over of States in forming a Commonwealth Government. I found that out when I formed the present Government, as I had to pass one colony over. I left Sir Philip Fysh, of Tasmania, out. Of course, it is a difficulty, but there is a possibility that we may so adjust the various departments that Tasmania may not remain unrepresented. I quite agree with you, however, that the time may come when the national feeling will broaden to such an extent that it will not be absolutely necessary for every State to be represented in the Cabinet, but that will not be until the people have more confidence in one another than they have now. In the Canadian Cabinet there is a number of the Government representing different provinces.

156. *Mr. Beauchamp* : Under the Act each State has to contribute not more than one-fourth of its Customs and excise towards the expenditure of the Commonwealth: could you tell us how much of that 25 per cent. is likely to come back to the State?

Hon. Mr. Barton : Do you wish to take the period before we pass the Federal tariff, or the period of five years which comes after we pass the Federal tariff?

157. *Mr. Beauchamp* : I refer to clause 87, which says, "During a period of ten years after the establishment of the Commonwealth, and thereafter until the Parliament otherwise provides, of the net revenue of the Commonwealth from duties of Customs and of excise not more than one-fourth shall be applied annually by the Commonwealth towards its expenditure." How much of that 25 per cent. are the States likely to get back?

Hon. Mr. Barton : You mean the Braddon clause, which is not the provision we suppose it to be, judging from the class of public speeches we are hearing now, in which it is stated that the Commonwealth is bound to raise four times the amount necessary. The real necessity for this provision is not stated by the "Braddon blot." The Braddon clause was a clause proposed for the purpose of forcing economy upon the Commonwealth, and not for the purpose of causing it to raise untold and unnecessary revenue. The whole purpose is entirely misrepresented. Sir Edward Braddon proposed it to prevent the Commonwealth becoming extravagant, and not, as has been stated, for the purpose of raising an unnecessary revenue. It means this: Out of what you raise, at least three-quarters must go back to the States. Supposing you raised eight millions—and I am simply taking this as an illustration—it provides that you shall not spend more than two millions on Commonwealth purposes. Now, you may have such a state of things as this: that, allowing for the Defence Department being entirely an expending department, and for the expenditure on the Post and Telegraph Department in some of the States being larger than the revenue, you might want something over a million—say, a million and a half—

for Federal purposes; and if you raise eight millions through the Customs this clause only prohibits you from taking from the States more than two millions, and you have to give back the £500,000 if you only want one million and a half.

158. *Hon. Major Steward*: What we wish to know is, what would be the probability with regard to refund—that is to say, whether it is probable that the Commonwealth would expend one-fourth of the revenue, or, if not, what sum New Zealand is likely to have to contribute?

Hon. Mr. Barton: It is impossible for me to supply that data in regard to New Zealand just now; but the expenditure of the Commonwealth divides itself into the expenditure on the transfer departments, which may be specifically reduced to three—namely, Customs, Defence, and Postal—and the new expenditure of the Commonwealth: that is, on the newly created departments—the Treasury, the Department of Home Affairs, the Attorney-General, and that of external affairs. On all these as they stand the expenditure will be very small; but very soon you will have to pass Bills for the creation of a High Court of Justice, and an Inter-State Commission, which will swell the new expenditure of the Commonwealth. The various estimates which have been made by competent people as to the new expenditure of the Commonwealth have been from £250,000 up to £500,000. Some of our most fanciful opponents brought it up to £750,000. You cannot take the first two months as a criterion, because we are not in working-order, or else you would be surprised to hear that the new expenditure was only £1,327 in the case of New South Wales; consequently you may take it that when the Commonwealth gets into working-order the new expenditure to be divided amongst the contributing States will be from a quarter to half a million, and you can gauge from that what the contribution of New Zealand would be. As to the method in which that will be arranged, until the imposition of a uniform tariff we have, by the Constitution, to credit to each State the revenue collected in it by the Commonwealth; then we debit to each State the expenditure under it by the Commonwealth for the maintenance of the transfer departments which I have spoken of, and the new expenditure of the Commonwealth is to be debited to the States in proportion to their population. Of course, as far as the new expenditure is concerned, it is a mere flea-bite; and, with regard to the expenditure on the transfer departments, your Postal Department had been paying until you got universal penny-postage, and will pay again; in ours we spend more than we get, while South Australia gets more than it spends; but the whole amount is not a very serious question. Defence is all expenditure, and, with regard to Customs, whatever the expense of the Customs is, that is debited before you get the net revenue from your Customs and excise which is spoken of in the Bill.

Hon. Major Steward: Some people in New Zealand appear to think that we have to contribute £500,000, and get nothing back.

159. *Mr. Beauchamp*: Then, there is the question that would arise through the importation of a large amount of goods on which excise had been paid—that is, tobacco and spirits, which are manufactured largely in Victoria: what about that?

Hon. Mr. Barton: That is a question for regulation under intercolonial free-trade. What I have been giving to you is the state of things that will exist before the Federal tariff is passed. It is necessary to mention that, because the state of things which will exist afterwards is very close to it. After that the same process will be observed—that is to say, the crediting to each State of the revenue collected by the Commonwealth, while the expenditure of the Commonwealth on the transfer services will be debited against the revenue collected by each State, and then the *per capita* proportion of the new expenses of the Commonwealth, which are very small. That is to be paid by the State month by month, and that process goes on after the Federal tariff is imposed, but with this slight exception: that, in the case of goods passing from State to State, the State in which they are consumed is credited with the duty. That goes on for five years after the imposition of the system of Customs duties. After the five years are up the Parliament may provide such a basis as it deems fair for the monthly payments to the several States of all surplus revenue of the Commonwealth. The cardinal point is this: that the Commonwealth cannot keep one penny beyond its necessities. Every penny of revenue beyond the amount sanctioned for appropriation by the Commonwealth for this purpose, whether for the transfers or for new departments, must be distributed to the several States month by month; and the last two months the matter has been working out to such an extent that we expect to show an increase in the revenue over that of last year, notwithstanding the Commonwealth deductions.

160. *Mr. Leys*: Would an Inter-State Commission have any control in New Zealand over the railway-rates?

Hon. Mr. Barton: Under the Constitution it would be what the Press calls a "*brutum fulmen*," for this reason: that it is constituted to deal with questions as between State and State; it has not power to interfere with anything in any particular State, because the 1st subsection of section 51 says that "the Commonwealth Parliament shall have power to make laws for the peace, order, and good government of the Commonwealth with respect to trade and commerce among the States, and with other countries." Any trade or commerce arrangements within a State are not subject to the Inter-State Commission, or to the power of the Commonwealth Parliament to legislate on such matters. With reference to the railways, in your case, as they deal with matters which are entirely exclusive to New Zealand commerce, they could not be subject to the Inter-State Commission excepting nominally.

161. *Mr. Leys*: Can it deal with existing lines?

Hon. Mr. Barton: They deal with existing lines; and if there were any railway-rates in your State, or railway-rates in a State here, with which you are exchanging goods, and wherein it was deemed an improper preference had been given, that question might be referred to the Inter-State Commission. With regard to the railways themselves, clause 102 says, "The Parliament may by any law with respect to trade or commerce forbid, as to railways, any preference or discrimination by any State, or by any authority constituted under a State, if such preference or discrimination is undue and unreasonable, or unjust to any State; due regard being had to the financial responsibili-

ties incurred by any State in connection with the construction and maintenance of its railways. But no preference or discrimination shall, within the meaning of this section, be taken to be undue and unreasonable, or unjust to any State, unless so adjudged by the Inter-State Commission." So that, before a preference law or regulation can be enacted in a State, the Inter-State Commission must first decide if it is unjust or unreasonable in regard to any other State, and then it may come within the prohibitory section of any Act of Parliament. The danger in the case of New Zealand or Western Australia would be perfectly infinitesimal. It is mainly the four eastern States that are concerned, and your case is very much like that of Tasmania, excepting that yours is a greater State.

162. *Mr. Leys* : With regard to maritime commerce, how would the Inter-State Commission affect that?

Hon. Mr. Barton : I should say, not to any extent at all in practice. The Inter-State Commission would have the power to administer any laws which the Parliament may pass in regard to navigation and shipping; but, on the other hand, the Commonwealth cannot pass any laws with regard to navigation and shipping which give a preference to one State over another. Laws so passed could be immediately haled before the High Court of Justice and declared to be invalid.

163. *Mr. Leys* : The Inter-State Commission seems to have some arbitrary powers?

Hon. Mr. Barton : It has no more power than Parliament gives it.

164. *Hon. Mr. Bowen* : Supposing Parliament did not pass an Act, is there anything to compel the setting-up of this Commission?

Hon. Mr. Barton : There is nothing to compel it, excepting that there is a practical direction to Parliament to pass it; but I think that Parliament will pass an Inter-State Commission law which will to a large extent be based upon the result of investigations into the history of the matter in the United States, where there is an Inter-State Commission, and on certain ameliorative powers of the Board of Trade in England.

165. *Mr. Millar* : Do I understand that this Inter-State Commission will practically assume the functions of the Board of Trade in England in administering the shipping laws?

Hon. Mr. Barton : No, it will not administer our shipping laws; but I think the probability will be that the function of the Inter-State Commission will be to deal with the complaints brought before it about rates on railways, rates of other common carriers, and by people owning colliers; but it is not likely to be given very extensive powers. It might be given some administrative powers, similar to those of a Court.

166. *Mr. Millar* : But it is not suggested that it would have powers analogous to the Board of Trade?

Hon. Mr. Barton : Not analogous; but I think it would be formed on the lines of the powers given to the Inter-State Commission in America, and after considering the work done by the Board of Trade in England.

167. *Mr. Leys* : Would such a law as the one regulating the trade of foreign steamers on the coast come within the control of the Inter-State Commission?

Hon. Mr. Barton : It would be a matter for legislation by the Federal Parliament, and if the Federal Parliament chose it could give powers to the Inter-State Commission in that regard. Any general navigation laws would be passed and administered by the Parliament itself, and it is only in cases of attempts to interfere with trade which amount to the abolition of inter-State free-trade principles that the Inter-State Commission has power.

168. *Mr. Millar* : No vessel can trade on the New Zealand coast without paying the current rate of wages: would the Inter-State Commission have power to allow another vessel to come down and trade on that coast simply because the Commission was set up by the Commonwealth?

Hon. Mr. Barton : No. If you had a law applying to vessels trading in New Zealand, and not applying to any point outside New Zealand, the provisions of that law could not be interfered with by the Commonwealth law. All the provisions as to powers of legislation are contained in the 51st section, and in that section you will find that the 1st subsection is this: "The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to—(1) Trade and commerce with other countries, and among the States." Now, the trade to be affected must be either between some port of Australia or another country, or between two or more States of the Commonwealth, before the Commonwealth Act can touch it at all. If you had a railway-rate between Sydney and Goulburn, and only referring to traffic between Sydney and Goulburn, I do not see how the Commonwealth could touch that.

169. *Mr. Leys* : Supposing a Sydney steamer with cargo for various ports in New Zealand touched at one port in New Zealand and passed on to another, could the New Zealand law be enforced against that steamer?

Hon. Mr. Barton : If the ship carrying a cargo to New Zealand, or to Melbourne and New Zealand, were to call at other Australian ports, that cargo would be inter-State traffic, and the Commonwealth would have power to make laws to regulate that traffic. The Inter-State Commission would have just as much control as the Parliament chose to give it by law, but it might have to wait a long time before the Parliament passed such a law. Whatever legislation the Commonwealth passed must be uniform, and must not discriminate between one State and another.

170. *Hon. the Chairman* : There are a good many provisions in the Act which state, "Until the Federal Parliament provides to the contrary"?

Hon. Mr. Barton : Those are the cases in which you must give power to legislate afterwards.

171. *Hon. the Chairman* : These matters have referred to the difficulties we have had in looking at the matter of federation generally, but I think the Commission would be glad, sir, if you could show where the practical advantage would be for New Zealand to come into the Commonwealth?

Hon. Mr. Barton : The attractions are no smaller to New Zealand than they are to any other State. The origin of the federation of the States has been a desire on the part of a number of the colonists, largely of the same race, of the same habits and customs, and following very largely the same vocations, to arrive at some system of laws which would apply uniformly to all, and in which they are concerned as one. That is, I take it, the whole object of federation—the desire of the colonies to provide a common defence, a uniform system of taxation as regards the external world, and common facilities for communication. One matter in which the feeling has been getting stronger every day has been that of the advantage of a common defence. In your case you will remember that it was said there were twelve hundred reasons against your federating. Well, you might as well say that there were twenty-five hundred reasons in the case of Western Australia, but they have been got over. In your case I take it that the advantage of a common system of defence would be that those soldiers enrolled in your State would understand that there was a common system under which they would work with us, and that would be a material advantage both to you and to us. Then, with regard to the question of quickening the means of communication between New Zealand and Australia, I am not at all averse to Mr. Seddon's idea in that connection. In fact, whether you are to unite colony with colony, or whether you are to unite various self-governing communities within the Empire, you must make your communication quick and cheap. That would be one of the necessities of a common system of defence; and the principle applying to New Zealand which appeals to my mind as underlying the defence question is this: If an attack were made in any part of Australia—we might say on some port in Queensland where they have coal—it would take several days to send soldiers to its defence from the southern colonies, and it would take no more time to get soldiers to its defence from New Zealand. Then, supposing an attack were made on New Zealand, where you have such good coal, the retention by the enemy of that place would be a serious menace to the whole of Australia; and it would be a very great advantage to have a common system in all the colonies by which in the first instance you could come to our assistance, and in the second case we could come to yours. I do not see any argument which applies to the mutual defence of States not separated by water, so long as the difficulties of transit are great, which does not apply equally to States which are separated by water, and where the difficulties of transit are not unusually great. As to the Customs, I am there treading on the delicate ground of reciprocity, but no doubt the expansion of markets resulting from inter-State free-trade, together with the protection of these extended markets under a uniform tariff, would be quite as good for one State in the Union as for another. I cannot pretend to constitute myself a judge as to the exact percentage of advantage which each State would get out of the Union; but, in regard to the tariff, some of us must be prepared to be subjected to greater taxation than we have to pay now, and in our case it is the high price New South Wales must pay for federation; while in the case of New Zealand she might be prepared to pay a great deal for the privilege of enjoying the advantage of an extended market for her produce, and for some of her many manufactures, as she would have a market of nearly four millions for her products outside of the seven or eight hundred thousand she has now, and that would be a decided advantage to her. Of course, the future is a very important consideration. It is certainly a most undesirable thing, to my mind, that there should be growing up side by side in these seas two separate Commonwealths, which will in the nature of things have a tendency to drift apart the longer they are left apart. It causes a friction which can only be settled as between the Governments, and that would, under separation, tend rather to increase than to diminish. While you can settle, if the States are combined, any friction that might arise by the medium of the Arbitration and Conciliation Act and High Court of Justice, if they are kept apart they can only be settled by the old common argument of steel and iron; and imagine two Commonwealths growing up in these seas under those conditions—I do not mean that they would come to blows.

172. *Hon. Mr. Bowen* : That could not be the case as long as the British Empire stands.

Hon. Mr. Barton : As long as the British Empire stands! It is even possible—I do not want to doubt the stability of the British Empire, which is quite as dear to me as to any other man, but we have the future to look to, and while we are part of the British Empire that possibility is very remote; but if we ceased to be, by the force of circumstances at any time, a part of the Empire, then these dangers might immediately arise, and when that time comes it may be quite impossible to adjust the adverse interests that may have arisen, and I think the policy of the time is to adjust them now. Your difficulties are not much greater than the difficulties other States had in joining. On the question of admission you yourselves are the best judges. We should welcome you in on your own terms. When I was speaking at the time of the referendum I was constantly met with the argument that I wanted to hand New South Wales over bound hand and foot as the slave of the other colonies of Victoria and South Australia; and when I went to Queensland to speak on federation I was met there with the same argument—viz., that Victoria and New South Wales were in a conspiracy to plunder Queensland. Well, I have not the slightest doubt that these arguments have been raised in New Zealand; but, of course, they will fail, as they failed in the case of the other colonies, because there is no foundation in them. We cannot say by what percentage any one will benefit by federation, excepting that there will be material advantages by which we should all benefit. There is an idea in New South Wales that it will not benefit as much as any other State; and in Victoria they have an idea that they will benefit. I do not grudge them any advantage they may get, and I do not care which gets the most advantage, personally, so long as we all get our fair share.

173. *Hon. the Chairman* : Supposing the Parliament and the people of New Zealand were to finally decide against federating, might I ask you if you think there is any chance of any reciprocal agreement being come to between the two countries?

Hon. Mr. Barton : I have been asked that question several times at Press interviews, and it is a difficult one to answer ; but perhaps some light may be thrown on it from the history of matters here in Australia. There has been the power to make reciprocal arrangements, and until we got federation various proposals and arguments in that direction were used. At one time Victoria and Tasmania almost came to an arrangement, but they never actually, I think, got a binding one—I am not quite sure on that point—or if they did get a binding one its tenure was so short that it was very speedily given up. They did not find it workable, or that it benefited either State appreciably, but that it caused various complaints. We had a proposal from Tasmania some years ago, and we suggested that, as federation might now be regarded as reasonably close, there was no need to enter into reciprocal arrangements, as there would be all the reciprocity desired under the system of intercolonial free-trade. You might take it that the efforts made in Australia to obtain reciprocity have quite fallen through, or that the reciprocity that was obtained for a short time proved a failure. There does not seem to be now a tendency to make arrangements of that kind. The difficulty is that they are subject to abrogation, and if you get the least instalment of inter-State free-trade it means that you practically come within the full development of federation. If you have reciprocity you have a permanent advantage over other States, in which case you have no security that the investors of capital can regard their investments with safety. I should think that the tendency of the people here would be to say you could have full reciprocity by joining the Federation, but that is a question to which I am hardly prepared to give an answer. I will not be the guarantor of the people in that way.

174. *Hon. the Chairman* : In the event of federation, is there a possibility of the assimilation of the labour laws of New Zealand to those of the Commonwealth, or *vice versa* ?

Hon. Mr. Barton : So far as the labour laws in your State being brought into touch with those of the Commonwealth is concerned if you entered the Federation, every matter which is not touched by this Constitution remains an integral power in the hands of the State in which it exists. If you look at sections 106, 107, and 108 you will find that in each case the powers of its Parliament and the laws in force in each State are all preserved, excepting in so far as they are inconsistent with any law passed by the Commonwealth within the limits of the powers granted by the Act.

175. *Mr. Millar* : If you were to impose these labour laws on the manufacturers of New Zealand, who were in competition with the manufacturers of another State where those laws did not exist, it would handicap the New Zealand men to such an extent that they would not be able to compete ?

Hon. Mr. Barton : We have a factory law here and in Victoria.

176. *Mr. Millar* : It does not apply to the same extent as the New Zealand law.

Hon. Mr. Barton : In the case of inter-State free-trade you would make certain regulations by statute. Supposing certain rates of wages and certain hours prevailed in the case of New Zealand, and you federated with other States in which the rates of wages were lower and the hours longer than in New Zealand, then the tendency would be to adopt the New Zealand rates and hours in all the Commonwealth—that is to say, by the adoption between State and State of internal free-trade there would be a tendency towards similar rates of labour and similar wages wherever possible, not by the operation of Commonwealth laws, but by the desire of States to bring themselves into line.

177. *Hon. Major Steward* : Is there any serious difference between the wages in New Zealand and those of other States ?

Hon. Mr. Barton : I have not had time to look into that, but I do not know that there is any difference.

178. *Hon. Major Steward* : In some departments, yes ; in the boot trade and the furniture trade the wages here are lower than in New Zealand.

Hon. Mr. Barton : I did not know those instances existed. Such tendencies which have arisen under your separate tariff would be to a certain extent counteracted by the prevailing rates in Australia.

179. *Mr. Luke* : But during the process the colonies, which have no such possibilities as regards factory laws, would go down in respect to their manufacturing interests.

Hon. Mr. Barton : How ?

180. *Mr. Luke* : The process would take a certain length of time, and during the transition such colonies as New Zealand might be placed at a great disadvantage.

Hon. Mr. Barton : I do not quite know how. I should suppose that after the new tariff had been in force for a reasonable term, and all existing industries had received a certain amount of protection, the tendency would not be to lower wages.

181. *Mr. Luke* : Only it would be uniform.

Hon. Mr. Barton : It would tend towards uniformity, and if you had higher wages in some factories than in others the tendency might be to lower them, excepting in those instances that would, of course, be affected by the conditions that you have spoken of—by your not being so close to Australia as the States themselves are to each other. The only thing that would counteract that is the question of free-trade, which is a very large one.

182. *Mr. Millar* : In the case of boots, with 22½ per cent. of protection, we imported something like nine thousand pounds' worth from New South Wales last year, and if you take off that duty it means that that amount is going to be quadrupled.

Hon. Mr. Barton : Do we not import any boots from New Zealand ?

183. *Mr. Millar* : No.

Hon. Mr. Barton : Why is that ? Is it because there happens to be so many manufacturers in this city with up-to-date machinery, and that it is rather a question of up-to-date machinery than of any difference in rates of labour or tariff ?

184. *Mr. Luke* : That, together with the centralisation and the specialisation which the larger colony is adapted for.

Hon. Mr. Barton : Where you find good plant and first-rate machinery you will have to have it as good elsewhere in order to compete.

185. *Hon. the Chairman* : Are you prepared to state, Mr. Barton, your idea as to what the probable Federal tariff will be?

Hon. Mr. Barton : I could hardly tell you the rates of duty, because if I were to do so the astute importers here would immediately go down and deplete the bonds, but I do not know what the tariff will be. The policy is this : We have to raise a very large revenue ; we cannot ignore the revenue side ; and therefore we cannot make our protective duties prohibitory, because that would be to kill our revenue. Our proposal is to raise a large revenue by Customs duties, apart from direct taxation ; to resort to direct taxation would be to destroy the source from which the several States could make up any shortage in their revenue. Raising it, therefore, by Customs and excise means a high tariff and high protection, and, although the Ministry are pledged to an amount of protection, we admit that by the exigencies of the case we cannot make the protective duties prohibitive ; so we shall have to make them such that a certain amount of revenue can be raised, while extending ordinary protection to local industries. New South Wales, which has been practically a free-trade colony for some time past, will naturally have to submit to much higher duties than she has paid in the past.

186. *Mr. Leys* : You could not indicate whether it would be a 15-per-cent. tariff?

Hon. Mr. Barton : No, I could not do that ; it would be all over Sydney in half an hour. It must be a high revenue tariff, and it also will be protective to the extent of moderate protection, but it must avoid prohibition for the fear of losing revenue. We shall not be in a very great hurry to make our excise duties equal to our import duties, as we do not intend to destroy local industry.

187. *Mr. Roberts* : Do you propose to spend the eight millions and a half?

Hon. Mr. Barton : We are not going to spend all. The expenditure must be placed in somebody's hands, and therefore, I suppose, it is put in the hands of the Commonwealth, which has one general source of taxation ; but what happens is that we take out of the Customs what is spent in each State on the transfer departments, and what is spent *per capita* on the new departments, and hand the rest back to the State from which it was collected, month by month.

188. *Mr. Roberts* : So that three-quarters of the amount must be returned again?

Hon. Mr. Barton : Three-quarters of it must be returned, but it will be vastly more than three-quarters in the first five years. Taking New South Wales, we shall get back this year a considerably larger proportion of revenue from the Customs and excise, after all deductions, than we got before the initiation of the Federation this year.

WEDNESDAY, 20TH MARCH, 1901.

GEORGE JAMES BRUCE examined. (No. 192.)

189. *Hon. the Chairman*.] What are you, Mr. Bruce?—Retail manager in New South Wales for the Goold Bicycle Company, trading in Australia and New Zealand. It is a Canadian company.

190. How long have you lived in the colonies?—I am a native of New Zealand, where I spent the whole of my life until fifteen months ago, when I came to Australia.

191. Have you made a study of the federation question?—Yes.

192. Will you tell us what your views are?—I am against New Zealand federating with Australia, for the following reasons : If New Zealand came into the Commonwealth she would only get one-seventh representation in the Senate, and a proportionate representation in the other Chamber, and the advantages she would gain by surrendering her control over her greatest departments of State business are not sufficient to counterbalance the disadvantages that would accrue by her giving up that control. Almost immediately this Commonwealth will have to borrow a considerable sum of money for defence, &c., and New Zealand, if she came in, would have scarcely any voice at all in the controlling of the expenditure of that money. Then, again, the Commonwealth will have to do something towards relieving the large amount of distress there is at present in Australia amongst the unemployed people. There are a large number of paupers here, and this matter will require very serious attention ; paupers are increasing in New South Wales to a large extent, and in Sydney you find thousands of people sleeping in the parks. It is the same to perhaps a lesser extent in the other States, but this is a burden that the Commonwealth will have to carry for some time.

193. How does this bear on the question of federation?—In this way : that the Commonwealth will have to provide the means to give these people employment or relieve their immediate distress, and New Zealand would have to pay its share ; whereas at the present time she has no large pauper population, and is not called upon to bear a large burden in that respect, while her aged and infirm are provided with pensions.

194. Why should not the State attend to that matter?—Because this pauper population exists throughout the Commonwealth, and it would have to be made a national matter. In connection with defence, it will be urged that it is necessary for New Zealand to join, otherwise she would be left out of the scheme of naval defence ; but that scheme, you will find, is going to resolve itself into making a great and expensive naval base in Sydney, towards which New Zealand will have to contribute a one-seventh share. As a sop, we will probably be told that another naval station will be established at Auckland in order to induce New Zealand to come in, but I do not consider that the advantage she would gain by this would be sufficient to compensate her for losing her independence and getting that which is her inevitable due. She will get the advantage of the Sydney

station whether or not. Under clause 69 of the Constitution various departments of the public service have to be transferred to the Commonwealth, amongst them being post and telegraphs, Customs, and defence. Dealing with the postal question, New Zealand has now established a universal penny-postage scheme, and the immediate effect of her coming into the Commonwealth will be that there would perhaps be an interference with her postal arrangements, as they would have to be made uniform throughout the Federation. We have no penny-postage in Australia yet; and I put it to you, is it likely that Australia is going to adopt New Zealand's penny-postage scheme straight away? The probabilities are that if you join the Federation New Zealand would have to go back to the twopenny-postage and shilling-telegram days in order to come into line with the rest of the States, as in Australia the politicians are rather hostile to the penny-postage, I think, at present. This is indicated by their reception of New Zealand's request to admit her penny letters. Under clause 69 the Customs and excise are to be transferred to the Commonwealth, and it is possible that the Commonwealth may decide to go in for a scheme of free-trade, in which case New Zealand would have to try and exist under free-trade.

195. Of course, there would be free-trade between all the colonies?—Yes; but the Commonwealth may decide to have free-trade with the rest of the world, and New Zealand would have to try and live under a scheme which would in her case probably injure industries which have been established there under a system of protection, and which are now flourishing. In this connection I might say that, although Sydney is under free-trade, the cost of living here is higher than in New Zealand, which is a protective country. I have with me the latest retail price-lists from A. and T. Inglis, of Dunedin; Wardell Brothers, of Wellington; and the Civil Service Stores, Sydney. I notice that the retail prices are less in New Zealand than in Sydney, which has free-trade—for instance, a man can get for £1 4s. 11d. in Wellington what he would have to pay £1 10s. for in Sydney.

196. *Hon. Captain Russell.*] Can you illustrate that by a few articles?—Yes. In the case of Ceylon tea, No. 1 blend, the retail price at the Civil Service Stores in Sydney is 2s. 6d. per pound, in Wellington it is 2s. 2d. per pound; salt in Sydney is 8d., in New Zealand 7d.; cheese, cheddar, is 1s. in Sydney, and 7d. in New Zealand; jams, assorted, 5½d. per pound, and 5d. in Wellington; oatmeal is 4s. 8d. a 25 lb. bag here, and 3s. in Wellington; raisins, 9d. here, 7d. in New Zealand; currants, 7d. here, 5d. in New Zealand; candles, sperm, 8d. here, and 5d. in New Zealand; bacon, 1s. 5d. a pound here, and 7½d. in New Zealand; biscuits, arrowroot, are 7d. a pound here, and 6½d. in New Zealand; and Derby tobacco, 6s. per pound here, as against 5s. 6d. in New Zealand. Perhaps one cause of this is the high rents caused by the concentration of people in the large cities of Melbourne and Sydney. Sydney has a population of over half a million, and the people are so crowded together near the centre of that city that rents are very high. We pay a very high rent for a warehouse in the city, a rent altogether out of proportion if one considers the real value of that warehouse for trade purposes. I would also point out that New Zealand is better off under her policy of protection, and is making greater strides in industry and commerce and showing more enterprise than any State of the Commonwealth. Under clause 87 New Zealand would immediately lose a sum not exceeding one-fourth of her Customs revenue without obtaining any corresponding advantage. Under clause 89 the cost of maintenance of the Commonwealth is debited in proportion to the different States, and New Zealand would have to bear an equal share of that with the other States, in addition to what expenditure the Commonwealth might decide would be necessary for defence and other purposes. Under clause 92 New Zealand would have to admit free everything Australia liked to send it, and the position she would be placed in would be this: In New South Wales particularly wages are very low. In our own business we get cycle mechanics for about half of what we have to pay them in New Zealand. We have a branch in New Zealand, and it pays us to build bicycles here, and send them over to New Zealand and pay the Customs duties on them, on account of the low wages here. Under free-trade between the States you would find that nearly all the bicycles used in New Zealand would be built in Sydney.

197. *Hon. the Chairman.*] Why do you oppose the federation of New Zealand with Australia?—From patriotic reasons. I am thinking more of my country than my business in giving this evidence. I do not want to see New Zealand industries crushed by the sweating-dens of Australia. From my experience in the City of Sydney I can say that there are people herded together in small rooms who are working for starvation wages, especially in the tailoring trade and in dressmaking and millinery. In New Zealand a girl cannot be employed unless she gets 4s. or 5s. a week at least, but here they get any amount of work done for nothing. There are also the Chinese working in the furniture trade, and there are cases known in Sydney in which two or three families live, sleep, and work in one room, and this is the sort of thing that New Zealand would have to compete against under free-trade. Under clause 98 the Commonwealth could interfere with the navigation and shipping laws. The New Zealand shipping laws have a good reputation over here. I hear them spoken of as being the best in the southern seas, and perhaps the Australians might try to assimilate your shipping laws to their own, with the result that there would be retrogression in that respect. Clause 127 says that aboriginals shall not be counted in the representation, and that means that your Maoris would be disfranchised. I plead for my Maori brethren. What have they done that they should be disfranchised? Under clause 128 women are also disfranchised, so that New Zealand would probably have to submit to the disfranchisement of its Maoris and women until Australia was ready to enfranchise its aboriginals and women. I would like to point out that New Zealand has within the last four years doubled her trade with New South Wales, while the goods she has taken from New South Wales has not increased more than 50 per cent.

198. You are giving us the figures in connection with the existing trade with New South Wales, which is already an open port to us; but we understand that if we do not come into the Commonwealth there will be prohibitive duties which New Zealand would have to face: what have you

to say to that?—My answer to that would be that the Commonwealth is not likely to put on a prohibitive duty against New Zealand alone, but against all outsiders. If Australia goes in for protection, New Zealand is in the best outside position to compete for her trade, and in the matter of produce New Zealand can produce certain articles better than this continent can. New Zealand has nothing to fear from any part of Australia in connection with produce.

199. What about Tasmania?—Tasmania could not feed the Continent of Australia. Take wheat, in which the average crop in Australia is 11 bushels to the acre, whereas New Zealand will grow 33 bushels to the acre. In that respect the New Zealand farmer can afford to compete with the Australian farmer, because for the same outlay he gets three times as much yield, and could sell to pay at half the price.

200. Supposing New Zealand joined the Commonwealth, there would be free-trade between it and Australia, and our agricultural produce would be admitted free: do you not think that would be a great advantage to New Zealand?—It would.

201. How would New Zealand be affected if there were a protective duty in New South Wales which does not exist now?—Simply that the people would have to pay more money for certain articles of produce and for certain goods, because they could not live without them.

202. Would it affect the sources of supply in New South Wales?—Slightly.

203. Are you acquainted with Victoria?—Yes, a little.

204. Do you know how much grain Victoria exports annually?—I do not know the latest figures, but I know she exports a lot.

205. Have you any other reasons to urge against New Zealand federating?—The social conditions are very different here from what they are in New Zealand, and the wealthier classes dominate politics to such an extent that it is difficult to appreciate the many difficulties in the way of bringing about reforms in social legislation in Australia. Politics here will be for many years to come in the hands of one particular class, and the poorer people will not be allowed to come to the front. People here feel that if New Zealand were allowed to come into the Federation her influence would be for progress in legislation, because she has gone ahead in every direction, and she can show the way to all the other colonies in regard to her advanced legislation; but she would be swamped in both Houses. Here the people have lost or have never had any power of initiative owing to being dominated by the classes I have alluded to, and probably climatic influence, and they put up with a very old-fashioned method both of government and legislation. I believe that the climatic advantages of New Zealand will always enable it to compete successfully with Australians, and New Zealand will always take the first position on the list—in fact, New Zealanders are coming out on top here every time. The standard in commercial and political circles is lower than it is in New Zealand, and in that respect we are not so well off as you are in New Zealand.

206. *Mr. Leys.*] Do you mean to say that the legislators of Australia are of a lower type than those of New Zealand?—I scarcely like to put it that way; but I consider that the standard of men in Parliament in New Zealand is very much higher than it is in the Parliaments here, as the representatives here are largely controlled by the wealthy people. In regard to the settlement of the people on the land, I have some personal knowledge of the settlements on the back blocks in this country, and the state of things is such that I do not suppose you will find worse existing in any other part of the world. You will find here families all herded together in one hut, trying to eke out a bare existence by catching a few wallabies. I think that the settlers in New Zealand back blocks are in a very much better position, and have certainly better prospects, than they would have if they were in the Commonwealth.

207. *Mr. Roberts.*] You emphasize the fact that, because of the large property-owners here, the people could not get on the land: do you refer to the pastoral tenants, who generally are able to hold their own very well?—There is some desire here to open up the land, but the Ministers are not so energetic in that respect as they should be, because our Parliament is largely controlled by the wealthy classes.

208. I presume you are aware that very large areas of land have been resumed and are lying open for settlement at the present time?—I visited much of that land, and it is poor land that is not likely to be taken up for closer settlement.

209. I do not think you are quite justified in saying that the runholders are stagnating settlement?—Well, the people cannot get suitable land.

210. Is not that because they prefer town life to country life?—My experience in New Zealand was that as soon as a block of land was opened up the people rushed and took it up, but here a certain class control the Legislature to such an extent that the Government are not opening up these good blocks of land.

211. Well, they take half a big run and resume that for settlement, and that is a pretty good average: what is your opinion on that point?—There is scarcely any good in taking the land that is offered. It is generally the worst part of the run. But in any case the inducements offered by the Government are not sufficient to get people to go on the land. That is the bald fact. They do not go on.

212. *Mr. Luke.*] What is the average pay to a cycle-builder here?—£1 5s. a week in the case of youths and men, but sometimes £1 10s. is paid to a man.

213. What hours do they work?—Nine hours a day.

214. Why do they celebrate the eight hours by a demonstration here?—That is done by a few trades who enjoy the eight hours.

215. Is this herding together in small dwellings going on to any great extent?—A report recently submitted to the Sydney City Council shows that it prevails to a very serious extent, and a number of these buildings are being pulled down.

216. If £1 5s. is the average wage paid to a mechanic, what is the average wage paid to a labouring-man?—About 7s. a day on Government Labour Bureau works.

217. Is it not peculiar that there should be men who are prepared to build bicycles when they can only get such a small wage as compared with the wages that can be obtained by the labouring-class?—A bicycle mechanic is generally a man who is skilled only in that particular business, and he gets permanent work at it.

218. *Mr. Leys.*] Do you infer that the working-population here cannot get a very great show at the elections?—Yes, because the elections here are controlled more by money than is the case in New Zealand.

219. Do you mean that the poorer classes of population, both in the city and in the country, are more amenable to money or property influence?—Certainly, because when a man is in a fairly comfortable position he is more independent.

220. And your impression is that the social legislation of the Commonwealth will not progress rapidly?—No. To bring New Zealand into the Commonwealth would be like hitching a motor-car on behind an old stage-coach.

THOMAS BAILEY CLEGG examined. (No. 193.)

221. *Hon. the Chairman.*] What is your official position, Mr. Clegg?—I am Clerk in charge of the Department of Labour, New South Wales.

222. *Mr. Millar.*] Under your Factories Act, how many hours do they work in the factories here?—Our Act only limits the hours of women and young people.

223. What hours do they work under that Act?—Forty-eight.

224. Have you experienced any difficulty in ascertaining if the forty-eight hours are worked through there being any defect in the Act?—We find a great difficulty, and we have represented in our reports that the hours should be fixed by statute at eight per day.

225. We have had it in evidence that fifty-four hours are nearer the mark than forty-eight: can you say whether that is correct?—They are allowed to work a certain overtime, which would increase the hours worked weekly.

226. Then the wages would be increased?—Of course, time and a half is paid for every hour of overtime.

227. What constitutes a factory here?—Four hands in the case of Europeans, and two in Chinese.

228. So that until they employ four hands they are not reckoned under the Factories Act at all?—No. There is one exception where machinery is employed.

229. Has your department any means of obtaining approximately the number of hands employed in factories where they do not employ four hands?—No. The Government Statistician covers a wider ground than we do.

230. Would it be too great a trouble for your department to give me the number of hands employed in two of the largest factories in each of the principal industries?—We can give that. I will send you in a return.

231. Have you any idea of the number of Chinese in the factories?—There are a number of Chinese in the laundries, and I can give you the number of Chinese employed in cabinetmaking.

232. I suppose Mr. Coghlan gets his statement of the wages from the returns sent in by your department?—Yes, we supply that; but our factory laws do not cover the whole of the colony. There is a Metropolitan District and a Newcastle District, but the Governor in Council has the power to extend the Act, if he thinks fit, to other portions of the colony. Hitherto he has not seen fit to extend it.

233. Then, outside of Sydney and Newcastle there is not such a thing as a Factory Act in existence in New South Wales?—No.

234. *Hon. Mr. Bowen.*] I presume that nearly all the large factories come within these areas?—Nearly all.

235. *Mr. Millar.*] Have you any laws applying to the compensation of workmen in case of accidents?—No, not apart from the ordinary Employers' Liability Act.

236. Is there any statute limiting the minimum of wage paid to women or children?—No.

237. *Mr. Leys.*] Do you administer the Shops Act here?—I do. We call it the Early Closing Act.

238. Is it rather more stringent than the New Zealand Act?—I think it probably is.

239. What is your hour for closing?—Six o'clock.

240. Absolutely?—Not for all shops. We have a schedule exempting fruit-shops, refreshment-shops, and others.

241. I mean in general?—It is 6 o'clock for all shops.

242. Do you manage to enforce that?—Yes; we found a little difficulty through an interpretation of the Supreme Court regarding a certain clause.

243. Does the Act provide for any half-holiday?—Yes, the usual weekly half-holiday.

244. Does it provide for one in the week?—With one exception. There is one long night and one short day.

245. Have you the power to fix hours?—No, not in the ordinary shops; and the Act fixes the hours in the scheduled shops.

246. How does that apply to dressmakers and milliners? Do they come under the Factories Act?—That depends on their business. If they simply make goods to order they are factories, and they are not factories unless there are four persons employed.

247. But supposing a milliner has goods for sale and employs a number of girls?—It would be a shop as to the persons she had in the shop, and would be a factory in regard to those in the back rooms who were engaged in machining.

248. With regard to wages, is there any law?—None.

249. Do you know if there are many employed without wages in the shops here?—Not in the shops, but there are in the factories. We have apprentices and improvers in the latter who get nothing, or who start at a very small wage.

250. We have been told that there is a lot of sweating practised: is that so, in your experience?—There is sweating in Sydney, but I cannot say to what degree it is practised as compared with other colonies.

251. Is there not a very large amount of poverty in Sydney?—I cannot say. Poverty is a relative term. What we would call poverty in this country would probably be regarded as comparative prosperity in older countries.

252. *Mr. Beauchamp.*] Have you any limit as to the number of apprentices who may be employed?—No. We have an Apprentice Act, which provides for a simple form of indenture, and so on.

253. Have there been many breaches of the Compulsory Closing Act?—Yes.

254. On the whole, it is working fairly satisfactorily?—It is in the larger shops; but you get a small shop worked perhaps by a widow or some other person in poor circumstances, and if the law is enforced against such people a certain amount of public feeling is excited against the Act. That has been a difficulty with us.

255. With your knowledge of the conditions of labour prevailing in Sydney and in New Zealand, would you feel inclined to confirm the statement made to us frequently that in Australia the hours of labour are longer and the rates of pay lower than in New Zealand, and that there is very much more boy- and woman-labour employed?—I am not in a position to say that.

256. *Hon. the Chairman.*] Have you a Truck Act in force in New South Wales?—One was passed last year, and has only been in force three months.

257. Have you any Workmen's Wages Lien Act?—We have.

258. And any law regulating the due payment of wages?—Yes; we had a short Act, which secures typewriters and sewing-machines from distraint.

259. But I mean preventing the workmen's wages from being attached?—Yes; passed last session. Wages are protected up to £2.

ALEXANDER DAVIDSON examined. (No. 194.)

260. *Hon. the Chairman.*] You are a grain and produce merchant, residing in Sydney?—Yes. I have been about seventeen years in Australia.

261. Do you know New Zealand?—I was five years there—from 1879 to 1884.

262. Are you in favour of New Zealand joining the Commonwealth of Australia?—Certainly.

263. On what grounds?—As far as New Zealand is concerned, she will have a free entry to the Commonwealth. In New South Wales we are isolated at present as a free-trade country. All the other colonies are protected against us, but that will be removed by federation.

264. Is there any other advantage besides that?—I do not think so. Of course, the reciprocity in trade will benefit all the colonies, but New Zealand specially will have the advantage in having the right of free entry into all the Australian ports, and, as the principal export from here to New Zealand is coal, the advantage should be on the side of New Zealand.

265. Does it occur to you, on the other hand, how New Zealand's manufactories would be affected by the large manufactories in Australia?—In regard to woollen manufactures she should be able to compete, as there are only one or two mills here where there is any woollen-manufacturing done. With intercolonial free-trade the sources of supply will be cheapened, and she will have a larger market for export too.

266. I am asking you whether the New Zealand manufacturers could compete with Australia: under federation, would the New Zealand manufacturers have to shut up?—No, I do not think so.

267. *Mr. Beauchamp.*] You view this question simply from a trade standpoint?—Yes.

268. And with the knowledge of the trade which has been done between New Zealand and New South Wales during the past sixteen or seventeen years?—Yes.

269. Has that trade been of an extensive nature?—Not as far as produce is concerned. At one time it was a very important thing, but it has retrograded, for the simple reason that in New South Wales a great deal more country has been put under cultivation recently. In 1883 we had a periodical drought, and required large quantities of produce from New Zealand; and there were also large public works going on which also helped you considerably. In 1889 our railways were completed, and public works ceased, territory was opened up, and gradually the importation of New Zealand produce has been lessening rather than increasing.

270. Does Victoria now export much produce to New South Wales?—Yes. Chaff is the principal import here.

271. I suppose each year Australia as a whole is growing more produce and relying less on New Zealand?—Yes.

272. I suppose, in the matter of oats we could compete against Victoria all right?—Yes. Victoria sends us very few oats, because they go in for the Algerians, which are not much use here, but they have been getting the trade of South Africa for these oats. In January last they had orders for 25,000 tons of hay for South Africa, and that took away a great deal of their surplus.

273. Assuming the tariff on oats is not a very high one, then we can always find a certain demand in New South Wales for our oats?—Yes.

274. *Mr. Luke.*] You say there is not very much manufacturing done in New South Wales?—Not in woollen goods; there may be in iron and other industries.

275. Then, the statement I read in the paper that the manufacturing interests of New South Wales are almost equal to those of Victoria is not correct?—I think Victoria is ahead of New South Wales considerably.

276. Are the wages in New South Wales anything like equivalent to those of New Zealand?—I do not know the usual wages, but a man here gets for casual labour 1s. an hour, and carpenters 1s. 3d.

277. What do manufacturing mechanics get?—I could not say.

278. *Mr. Leys.*] You think that the New Zealand produce trade is already declining, because a larger area has been placed under agriculture in New South Wales?—Yes, it is declining year by year.

279. Then, that is likely to go on?—Yes.

279A. Take oats?—We cannot grow them here to equal New Zealand; they are not nearly so good as the New Zealand oats.

280. Take wheat: is New South Wales now importing wheat?—No; I do not think there will be much of a market for New Zealand wheat.

281. Do you anticipate that there will be a market for New Zealand flour?—No, because New Zealand flour has a dampness in it which the Australian flour does not possess, and it is consequently looked on as an inferior article. New Zealand flour has almost gone out of use in New South Wales.

282. Have you done any exporting to the South Sea Islands?—No.

283. Do you know whether Australian flour is preferred to New Zealand flour in the South Sea Islands?—I sent some on one occasion, but I got it sent down from Auckland.

284. What about butter: is New South Wales exporting butter now?—Largely.

285. Is that likely to increase?—Yes. Sometimes we import very largely from New Zealand in butter. The summer butter is all exported from here, and after that the supplies gradually become less; but, as fresh territory is being opened up, there is not the likelihood of much being required from outside. In dry seasons we import largely from New Zealand.

286. What are the items, excepting oats, which New Zealand is likely to supply to Australia?—Sometimes there is a regular market for cheese here, and second-class butter, which is dairy butter and used for biscuit-manufacturing.

287. Is the dairy industry in New South Wales, which is a developing one, likely to supply all the cheese, and this inferior butter you speak of?—No; they are now going in for separators all over the country, and where you could get a few years ago thousands of kegs of dairy butter you can hardly get one now.

288. Do you mean to say that there is butter of a better quality coming from New Zealand than you get in New South Wales?—No; but one class is—farmers' butter, which is made in New Zealand, and which has never been through the factory. Milled butter is the term they use in New Zealand for it.

289. What other items would New Zealand be able to send?—Maize comes from there. Fifteen months ago we imported maize from America, but we have had none from there this year, and for the last four or five months a great quantity has been coming from New Zealand, and we have taken the surplus of your produce. America could not send maize here owing to the higher freight, so New Zealand has been benefited to that extent. There will always be a market here for good qualities, because in the summer-time our local maize goes all weevilly. A large quantity of bran and pollard also comes from New Zealand, and it is one of the items which it is very advantageous to get rid of from New Zealand, because your milling-power is far more than sufficient for the colony itself, and with the exclusion of Australian markets you cannot get rid of it. The tariff in Queensland on bran is £1 13s. 4d. per ton, and there is a good demand for it there. The importation of Manitoba flour began several years ago. It was imported with the idea of mixing it with the local flour, and at that time it was worth between £2 and £3 a ton more than the local flour; but last year they were paying about twice as much for it as for the local flour—£11 for Manitoba, and £6 to £6 5s. for New South Wales. The idea was to mix the flour, but I think importers are rather sorry now that they began with it.

290. Do you not anticipate that we should be benefited with respect to flour?—I do not think so. There is a lot of malt used here, and there have been large contracts with Christchurch firms for supplying it. Hemp is another article for which there is a demand here, but only one man uses it. Generally speaking, in Queensland, when the tariff is taken off, there will be a good demand for the various articles of produce from New Zealand, such as oats and maize, in regard to which you will benefit considerably. It is very small at the present time; practically we do no business there owing to the duty.

291. Do you not think, Mr. Davidson, generally speaking, there is such a rapid expansion of the agricultural industry in Australia that our market here will gradually decline unless in times of drought?—I think so; but, of course, there is the quality of New Zealand produce, which we cannot get here.

292. Can you tell us what amount of New Zealand produce which comes into Australia is transhipped to Manila?—The firm that is doing that business is Cassels Brothers and Wolfe, and last year, I think, they had contracts with New Zealand for produce for Manila, to where they shipped between 200 and 300 tons per month. I refer to potatoes, which are, on arrival here, taken out of the bags and put into boxes. I believe they all came from New Zealand last year, and that Christchurch got the bulk of the orders.

293. Will not that trade still be open to us?—I do not know that it would. If they send potatoes to Manila they have to be taken out of the bags and put into boxes, and I do not think they will continue to do that in the case of New Zealand potatoes. Only under special arrangement could repacking in bond be allowed.

294. Do they not do something of that kind in Victoria with oats when reshipping to South Africa?—I think, as far as reshipments to South Africa are concerned, they get them boxed in New Zealand, and not in Victoria.

295. Could they not adopt a similar system for Manila, and get them bagged in New Zealand?—Yes, but there is this difficulty: Wolfe is a man here who has the option of the Tasmanian market by having his headquarters in Sydney, and can buy from New Zealand also. He often takes advantage of the local market when the Tasmanians have dropped to a low price. If he went to New Zealand he would only have the option of your market.

296. With regard to oats, has there been a large shipment of oats to Manila?—Practically none.

297. What about onions: are large quantities of the onions that now annually go to Australia for transshipment to Manila?—Yes.

298. Do you know anything of Victoria?—Yes.

299. Do you think New Zealand has any chance of shipping produce into Victoria if the tariff is removed?—I do not think so now, as I think Victoria is completely self-supporting. A large item of consumption fifteen years ago was oats, which were required for the tram-horses in Melbourne, but now they have cable-trams, and there is no demand in that respect for oats; and, besides, they grow enough oats in Victoria to export, and, unless for milling purposes, there can be practically no market there.

300. Do you think the New South Wales market will be the only one that might be closed to us, supposing we did not join?—Practically, they are all closed under federation.

301. And that market you say is a declining market?—I do not know. I think now they have got to about the top. It depends on prices. Take wheat: In the southern parts of New South Wales they work on what is called the "halves system"—the landowner finds the land and seed and the farmer finds the labour, and they halve the result. When wheat was 4s. to 4s. 6d. a bushel they did very well, but for the last three years they have been getting 2s. to 2s. 2d. for it on the ground, and there has been nothing in it for squatter or farmer, and now they are going back to sheep again. Therefore it appears to depend very largely on grain-values whether they continue grain-growing or go in for sheep.

302. Do you think there is a very large area of land in New South Wales suitable for agriculture?—Yes. At certain places wheat is more suitable than oats as a crop. They grow wheat from the Queensland border down to Albury.

303. I suppose you look forward to a continuous export of dairy produce from Australia, and to a continuous expansion in that industry here?—Yes.

304. *Hon. Major Steward.*] You mentioned amongst the items we should gain would be woollen goods. The total export of woollen goods from New Zealand to Australia for 1898 was £4,037: do you think there is any probability of that amount being increased, seeing that in Sydney woollens are now imported free of duty?—Yes; you would have the Queensland market and other markets, even if the New South Wales market were not affected.

305. In regard to pollard and sharps, I find the total value of that export to New South Wales in 1898 was £225: was that an abnormal year, or is there likely to be any increase in the importation?—It depends on the price, and in some years when there has been a drought very large quantities of pollard are sent over here.

306. In years of drought you would inevitably require to import?—Very largely.

307. In 1898 we exported from New Zealand potatoes to the value of £100,000: was that an exceptional year?—In 1898 potatoes went up to £9 a ton, and New Zealand benefited very considerably. We started that year buying potatoes at about £3, and they went up to about £8 f.o.b. New Zealand; the quantity was not so much, but the value was considerable.

308. Is there any reason why you do not get potatoes in Tasmania?—We do.

309. Is Tasmania capable of supplying all the needs of the other States in the matter of potatoes?—Sydney is one of the principal markets for Tasmanian potatoes, and Victoria can supply her own to a large extent. Tasmania we depend on principally for our supply of potatoes, and we like them better, and people are willing to pay from 10s. to £1 a ton more for them than for New Zealand potatoes.

310. Can you import as cheaply from Tasmania as from New Zealand?—The freights on the potatoes at the present time from Tasmania are running into 1s. a bag, and from New Zealand I think it is 12s. a ton. It is practically the same thing.

311. If the Tasmanian potato commands a slightly higher price, is there any likelihood of New Zealand, excepting under exceptional circumstances, having a large export of potatoes to you?—It depends altogether on the supplies coming from Tasmania. If Tasmania can produce the quantity required they would get the preference.

312. Another large item of export to Australia from New Zealand is sawn timber for butter-boxes?—There is a great deal used for that purpose—white-pine.

313. Is there any timber obtainable in New South Wales which would be suitable for the purpose?—That I cannot say.

314. The value of the export of oats to New South Wales in 1898 was £47,000: can you tell us whether this was for your own consumption or for the supply of customers of yours beyond the seas?—I think they were mostly consumed here.

315. Do you think that New Zealand is likely to have a market for maize in Sydney or other places in New South Wales?—I think there will be a market here in certain months of the year. The new maize begins to come in from New Zealand in September, and by that time our local maize is becoming very weevilly, and it is impossible to get a sound sample of maize towards the end of December.

316. Do you get any from Queensland?—Occasionally, but not much.

317. *Hon. the Chairman.*] Do you think New Zealand would be able to compete with the maize from America?—I do not think there is any chance of that coming in from America again, because we now pay so very much higher freights than when the importation began two years ago, besides which there will be added the Federation duties.

318. *Mr. Leys.*] You said that the New Zealand flour was inferior to the Australian: do you think that under federation much flour and wheat would be shipped to the North Island from Sydney?—No, unless they sent you their surplus.

319. Is there not a probability that they would again send their surplus to the North Island?—A year or two ago a lot of wheat went to the North Island for the Auckland Roller Mill Company, but that is the only year I know of.

320. *Mr. Beauchamp.*] Is not flour, as a rule, slightly cheaper in Australia than in New Zealand?—I do not think so. Under federation Hobart and Launceston would probably lose the trade they have in flour with the west coast of Tasmania, and Melbourne would get it.

Hon. Sir W. McMILLAN, M.L.A., K.C.M.G., examined. (No. 195.)

321. *Hon. the Chairman.*] You have taken part, sir, in the politics of New South Wales, and you have been a Cabinet Minister in New South Wales?—Yes.

322. You have also resided in New South Wales for many years past?—Yes.

323. Would you have any objection to giving us your views upon the question of New Zealand joining the Australian Commonwealth, more especially having regard to what you conceive would be the advantages which New Zealand would gain from entering the Commonwealth, if you think there are any?—In the first place, I think there is no doubt about the advantages. This is a large continent, under peculiar conditions, at times subject to droughts, and forming a natural market for your more favoured country as far as climate is concerned. Again, your country is an isolated one, but in the temperate zone; whereas a large amount of our territory is either tropical or sub-tropical; in other words, there are all the elements for the interchange of commodities existing between the two countries, which, of course, is the basis of trade. I take it for granted, and it almost goes without saying, that if it were not for the distance by sea between the two countries there would be no question at all about your joining the Australian Union; so that, after all, it narrows itself down to a question of distance. But if you take some of the distances that would have to be travelled by the representatives of the different States in Australia, no matter where the capital may be situated—because the capital cannot be situated in the centre of our continent, where there is probably no water to drink—you will see that even the three or four days' journey it takes to come from New Zealand is not a very great period of time as compared with what a man would take who has to come to within a hundred miles of Sydney from the remote parts of Western Australia or the remote parts of Queensland. Also, as population increases and as trade increases, if we are united communication must become better every year until it reaches the highest possible point of quickness. I conceive that travelling in one of the modern steamers for three days is much less of a hardship than travelling three days in a railway-train, consequently that part of the inconvenience will be overcome as the years go on. On the other hand, there is no doubt that, as you see in the case of England and Ireland, even a very few miles of sea creates differences with regard to the habits and life of a people, and there is no doubt that there is a distinctive civilisation before the people of New Zealand, which marks them out in regard to certain peculiarities from the other colonies; and I dare say there is—and this is borne out as far as I can learn from reading the newspaper reports—on the part of the New-Zealanders a sort of ultra-independence, and a desire to work out their own destiny on their own lines. On the other hand, the question of the development of commerce between Australia and New Zealand must inevitably arise, and it certainly would be a bad thing for New Zealand and the mutuality of trade if any restriction existed in respect of the trade of the two countries—in other words, that the absolute free-trade which we had established or are establishing among the Australian Colonies, if extended to New Zealand, would be mutually beneficial. At the same time it would be a very difficult thing for what is practically an integral part of the Empire, such as Australia, to make any separate treaty with New Zealand for the interchange of commodities while she was not a component part of the Australian nation, Australia at the same time putting on comparatively heavy duties against Great Britain and the rest of the British Empire. So that you see the difficulties in view are great with regard to trade and intercourse if there is not an absolute union—by which I mean a political union—and without such union the difficulties I have pointed out must increase. With regard to New Zealand, it is not necessary, I think, to carry the union into certain services—services as contrasted with powers—as we have done in the case of Australia. For instance, I would not see any sense in the transfer of the postal telegraphic service, and certainly there would be no transfer in the future of the railways, or any service that, owing to the twelve hundred miles of sea, cannot be affected in the sense that such services on the continent are affected. It does, however, seem to me that Australia would never consent to any kind of union unless it were of a completely political character. In other words, there must be all the elements of national union—one Parliament, one Executive, one Supreme Court, of which you could have your branch, but which would be essentially a part of the judiciary of Australia and New Zealand combined; and in all other matters it would be necessary politically to fuse us into one people, just the same as if you were Tasmania or Western Australia. Then, again, looking at the matter more broadly, and from an Imperial point of view, I think that if the British Empire is to hold together there must be three great Confederations, putting aside the Asiatics and others, under what you might call "Crown rule"—namely, Canada, South Africa, and Australasia—and the future of the British Empire will depend, I think, upon the absolute coherence of all the different separate entities working first locally, and in their own geographical area; but working together for the Empire. Now, I hold that any attempt to create a second Federation in the Pacific would very soon work out fatally to the integrity of the British Empire—that is to say, I very much fear that causes of difference would arise between the Federation dealing with the Pacific and the Federation dealing with Australia as a whole; and if once there were these differences of

opinion, and they were accentuated so as to create, if not actual hostility and strife, at any rate strained relationships, it would very seriously imperil the union of the different parts of the British Empire. To explain myself more fully, were Canada in her geographical area absolutely dominant there, South Africa dominant in her area and in any further access of territory that might take place there, and Australia and New Zealand, with all the islands in the Pacific, dominant in this area, then you have got three great integral parts of the British Empire each working within its own domain, but all ready to give their united strength to the Mother-country when necessary. Of course, it is not unreasonable that there should have been hesitation on the part of New Zealand about coming into the Australian Union, because, apart from the distance and the other different conditions, you naturally would have to go through a period of educational reflection, such as we have gone through here, and it is reasonable to assume that that period of education and reflection has as yet scarcely commenced. Here I must say that I think the step of sending out a Commission and getting information is really a good one, and I think it will probably lead to a better understanding of the whole position; and I might also say, perhaps—and I throw out the suggestion for what it is worth—that when the Federal Parliament meets in Melbourne, and the Executive is established, it might be considered a wise step that a representative from New Zealand should be permanently appointed to watch the development of Federal politics, to report to the Government of New Zealand, and thus to form beforehand a sort of ambassadorial *nexus* between us and you, because I believe the feeling in favour of federation will grow, and that in a very few years the advantages to you, as well as to us and the Empire, will be so apparent that circumstances will force you into our Union, as circumstances have forced the different States of Australia into their Union.

324. You told us that you thought it was not necessary for the Federal Government to take over the post and telegraphs in New Zealand, but under the Act must not the Federal Government take over the Post Office?—Not necessarily. They took over the Post Office here simply because it is one connected system, but it does not follow that they would take it over in New Zealand, where it will be an isolated system of its own. But the question of the Post Office does not affect the political and national view of this matter. It is a service that I take for granted, in the event of New Zealand joining the Union, would be considered on its merits; but these are subjects which would be left open for future discussion, and are not necessary to national union.

325. What do you think would be the effect of the distance as regards administration of the public department?—Of course, the distance is a disadvantage, no doubt; but it is one of those difficulties—if there were no difficulties you would have been in the Federation—which would necessitate probably some special consideration, so that New Zealand would not be hampered in that respect by reason of the distance—that is to say, you would probably have a branch of the Supreme Court there; and, in fact, the only question of administration is the one question which applies to members of Parliament coming hither. But it is only a matter of three days to get across.

326. I was referring to the administration of such branches of the public service as the Federal Government takes over?—I do not think there are any difficulties in respect of those departments, because the bulk of the services taken over are entirely of a national character—services which are administered by the British Government to-day over a very vast area, much vaster than the area over which the Commonwealth has to rule; and they are also greater services than we have to look after, because, after all, the two things the Commonwealth has to deal with are defence and commerce. The question, of course, arises out of the difficulty, perhaps, of administering the Customs; but you can see clearly that you cannot have inter-State free-trade between different parts of a nation unless you have got a uniform tariff. If you have a uniform tariff it must be administered from a common centre; but I do not think there is any difficulty or would be any in your case. Supposing there is a Minister for Customs, he administers the Customs for the northern part of Western Australia through a deputy, in just the same way that the Postmaster-General will have deputies in each of the capitals. The whole question is one of departmental administration, after all.

327. Do you think the trade between New Zealand and Australia, supposing New Zealand came into the Commonwealth, would be likely to increase? Do you not think that Australia produces nearly everything that New Zealand could send here?—We get a good deal from you now, and if the tariff were brought into uniformity a very much larger quantity of produce would come from New Zealand. I think the tendency would be for a very large trade in the future to develop, because you have a country that is splendidly productive, with a magnificent rainfall, whereas we are subject to periodical droughts.

328. Assuming that the trade would be improved, do you think that that is a sufficient reason why New Zealand should sacrifice her political independence?—Of course, I naturally look upon the matter from the more important point of the unity of the Empire—that it is absolutely necessary, if this is to be a strong outlying portion of the Empire, that there should not be two Powers in the Pacific. I do not look at it from the mere question of whether New Zealand is going to get a larger trade or not, although I believe that that trade will increase very much.

329. Have you any fear of Australia becoming a republic?—No; but I have a fear that in the case of two independent Powers in these seas—because, after all, the union with Great Britain is purely voluntary, and our self-governing powers will be enlarged more and more—there might be some serious cause of dispute between them, just as there were creeping up serious sources of dispute between the different Australian Colonies before they federated. Before our union, one cause that brought the matter very forcibly before the minds of politicians here was the boundary of the River Murray question, the using of the water for irrigation, and so interfering with navigation; and I am perfectly certain that there would be questions connected with the South Sea Islands which would cause a great deal of friction.

330. Do you not think that they could be adjusted without New Zealand entering the Commonwealth?—I do not think so. I understand you are aiming at incorporating Fiji and the islands with New Zealand under one great Federal Power, somewhat on the lines of the Australian Federation.

331. May I put the question to you this way: do you think that Australia would like New Zealand to come into the Federation, not so much on account of the benefit it would be to New Zealand, but to prevent complications with reference to the islands?—I do not honestly think that the people here have given the matter any very serious thought at all.

332. *Hon. Captain Russell.*] What people?—I do not think the majority of our people here have thought anything about it, excepting that they understand that New Zealand imagines it is too far away to come into our Union, and there it stands at present.

333. *Hon. the Chairman.*] You think the people of Australia are indifferent on the matter?—I think they are at present; but then, of course, it is the business of public men to think over these matters, and I think those who have thought of this matter have foreseen great dangers and troubles through New Zealand not being joined to us. They believe that if we were all joined together there would be perfect safety, and that as one voice, speaking for the whole of Australasia, we would be certainly a much stronger factor in the Imperial system than by being divided.

334. *Hon. Captain Russell.*] There is a feeling in New Zealand, consequent, no doubt, on the abolition of our own provinces, that possibly the Central Government here would absorb the powers of the States: have you any views on that point?—We, of course, have provided against any possible danger of that kind, and in this way: We have based our Constitution on the principles of the Constitution of the United States of America as distinct from that of Canada, by which the State simply gives up certain powers and services only to the Federal Government, the State remaining absolutely sovereign, so to speak, in its own domain. We have some very drastic clauses here by which no territory can be alienated in any State, and also a provision under which the Bill itself cannot be altered in any of its salient points without the rather drastic process of a referendum, so that the idea of the Federal Government, as a central power, absorbing more and more the powers of the States is largely guarded against under this Constitution. The Constitution can only be altered by a majority of the States, and by a majority of all the electors.

335. But is it not by a majority of the voters rather than by a majority of the States?—There must be both. Four colonies of a comparatively small population could not dictate to two colonies which in the aggregate had one-half the population.

336. Does not clause 128 allow of a majority of the two Houses voting together to alter the Constitution?—No, that is only the initial step.

337. We will suppose that the Houses have disagreed on the question of amending the Constitution, surely it can be referred to a general convocation of both the House and the Senate, and a majority of those voting decide what is to be the law?—Not without a referendum. Take the last clause, which says, "The proposed law for the alteration thereof [of the Constitution] must be passed by an absolute majority of each House of the Parliament, and not less than two nor more than six months after its passage through both Houses the proposed law shall be submitted in each State to the electors." So that no matter what process it goes through in the Parliament it must also go to the people.

339. You alluded to what you thought was a condition of social difference between New Zealand and Australia: what did you allude to there?—I simply meant that we are on the Continent of Australia, and you beyond the sea, and that there are twelve hundred miles of sea between us. There are natural provincial habits and tastes that consequently arise. For instance, there is no doubt that a life of civilisation and colonisation which the conditions of a tropical country have given rise to is a different kind of life, in many instances, from what you get in New Zealand or Tasmania.

340. Do you imagine that the difference between the two countries will be accentuated and increased in the process of years sufficient to almost induce a difference of feeling and interest in regard to political thoughts and aspirations?—I think any step in that direction will be checked very considerably by the complete union of Australia with New Zealand, and the greater intercourse that must necessarily arise from that.

341. You alluded just now to Queensland, and I see that politicians have agreed that there is to be a "white" Australia: do you think that is going to be a political problem of any difficulty?—I spoke at Woollahra last night, and I deprecated strongly that question being raised at all at the present moment, because we have only just joined together the different States, and it is not a question that must be looked on either from a provincial aspect on the one side, or from the aspect of the mere prejudices of the different States on the other. It is a matter that must be considered fully by the representatives in the Federal Parliament, when the representatives of Queensland are there.

342. Whatever is the law of the Commonwealth, the tropical lands have to be occupied by coloured people, have they not?—You must make a difference between the occupation of a country by people like the kanakas, who are under restrictive administration and control, who do not intermarry, and who go back to the islands, and people like the Chinese, Afghans, and coolies. Australia has decided that these latter people shall be kept out of the country, so that there will be no difference between you and the great mass of the democracy of Australia on that question.

343. But from its social aspect do you think it is possible to avoid in the future the tropical country being occupied by black labour?—Certainly. I mean that class which would marry, settle down, and possibly mix their blood with our people.

344. Who will it be occupied by then?—By white men.

345. You think that possible?—Yes. I think it possible that there will be a certain amount of labour obtained from the islands, but under the very strictest supervision, and returned again periodically.

346. *Hon. Mr. Bowen.*] You spoke about the danger of possible conflict between two Powers in these seas, and of a possible split with the Mother-country, through their interests conflicting; but would not the fact of those two Powers watching each other be a check, so to speak, on any possible split of that kind?—Great Britain has taken up the position that she will not interfere with purely local matters. You see, it is very easy to discriminate between what are Imperial matters and what are purely local matters, especially if you have got certain well-defined Powers in different parts of the world acting within their own geographical area. But, supposing there were any friction between two of these outlying Powers, there is no process under the Constitution, excepting that of conciliation, by which Great Britain can interfere in any way; and the result might be, if there were any interference, through the fact of friction between us and another Power in the Pacific, the breaking-away of one part from the British Empire, and when one party broke away you do not know what would happen next.

347. *Mr. Roberts.*] What are your views on the Federal tariff, Sir William?—I have said already that three-quarters of the Federal tariff is pretty well fixed already, in this way: The volume of Customs duties and excise was, a year ago, about eight millions of money, of which only four millions was collected from narcotics and intoxicants, upon which we all agree. There is no fiscal principle in that, but it is a financial principle that if you raise your duties beyond a certain amount you get less revenue; so that there is a limit to a large portion of your finance to which you can go, and as to which we are all agreed more or less. You would probably get two millions from specific duties, leaving two millions to be obtained from another source, and that inevitable source, which we do not like, is the *ad valorem* duties. But these duties will be imposed undoubtedly to make up the necessary balance. Under free-trade we shall want to impose a uniform tariff of 10 per cent., but the Protectionists say, "No; we shall make a free-list, and then put on 20, 30, and 40 per cent. on other items, so as to create and encourage industries which we think the times are ripe for."

348. Under federation the sugar would be produced in Queensland?—Yes.

349. So that with intercolonial free-trade you will lose the revenue from that?—There will be a loss through intercolonial free-trade of about a million, which will have to be made up by duties on oversea products.

350. *Mr. Beauchamp.*] In the estimate of that loss, have you taken into consideration the loss there would be to the State which imports a very large quantity of tobacco and spirits on which excise duties have been paid?—All excise will go into the Commonwealth.

351. In the case of New Zealand, large quantities of tobacco and spirits, manufactured, say, in Victoria, are imported into New Zealand, and that would mean a considerable loss to that colony?—In the first place, the duty is followed into the country where the consumption takes place for a certain period, and then the whole matter is open to reconsideration. The simplest scheme would be a *per capita* distribution, but the difficulty of that is that the powers of consumption are not the same in different countries. But it is a very difficult question, and will have to be considered.

352. With respect to the 25 per cent. of the Customs revenue that would be collected by the Federal Government, are you of opinion that a part of that will be returned to the States, or will it be necessary for the Federal Government to retain the full amount on account of their expenses?—So far only one great service has been transferred—that is, the Posts and Telegraphs—which about balances itself. For defence they would probably require about a million, and for that service, together with quarantine and other matters which would be transferred, I calculate that about £1,700,000 will be required, and £300,000 extra would be required for the expenditure of the Federal Government—for Parliament—and so on. And then there is the interest on the buildings transferred in connection with the Postal Department, for which we shall have to reckon $3\frac{1}{2}$ or 4 per cent. We calculate that it will take two millions to cover the Federal expenditure, and you can take that as being 25 per cent.; but the fatal "Braddon blot" provides that, if you want £2,100,000, for the extra £100,000 you have to raise £400,000.

353. *Mr. Leys.*] To whom would that interest you have referred to be payable?—That would be payable by some arrangement probably to the States.

354. So that, assuming that our Customs amounted to about two millions, it looks as if we should have to contribute something like £500,000 towards the cost of the Federal Government?—It looks like that; but you must consider that you will get relieved of your defence, quarantine, and lighthouses, and the only thing you would have to pay would be your *per capita* portion of the new expenditure—that is, £300,000—the other is simply a transferred expenditure. You transfer the expenditure and you get rid of the liability.

355. Is it probable that New Zealand would be called upon to contribute to the cost of a trans-continental railway, or to works for the development of tropical Australia?—I think the whole thing is premature, and I cannot help feeling that there is a great deal of the political cry in the whole affair. There is no practical information at the present time before us respecting the cost of such a railway; but, depend upon it, in regard to any matter like that which benefits one particular State alone, the other States would be able to look after their own interests. In the case of a railway across the continent to facilitate communication with England, it might be looked on as a work of a national character, and if it did not pay expenses the interest on the work might have to be distributed amongst all the colonies, and you would probably have to bear your share. I do not think that any State would be asked to bear its share of any work that was not distinctly of a national character.

356. *Hon. Mr. Bowen.*] Will not there be a very large expenditure on the new capital?—Pro-

bably, yes ; but the freehold of any part of the area within which the capital is created is not to be parted with, but leased, so that it is not improbable that there will be a very big revenue from that source.

357. *Mr. Luke.*] If this trans-continental railway for the better carriage of mails or for defence purposes were built, and we had to contribute our share of the cost, would it be reasonable to expect a subsidy towards a swifter steam-service between New Zealand and Australia?—With reference to a matter so very important, very much can be urged ; but, speaking for myself, I take it that, if there were a large expenditure on a railway system on which there was a loss distributed throughout the whole of Australasia, if New Zealand had to bear a portion of that loss it would be a very reasonable thing that she should receive some equivalent in the shape of a subsidy.

358. Do you think there is a possibility of the Federal power absorbing by a gradual process the powers now enjoyed by the States?—No ; they may obtain services such as the railways, which are now run separately in the different States, for military purposes, and for the more completely carrying-out of the principle of free-trade. We have provided in the Constitution for an Inter-State Commission, but it is possible that the judgments of this Commission will be so peculiar that the only way of putting an end to an intolerable trouble will be for the Federal Government to purchase all the railways ; but that will not affect you at all.

359. Then, the Bill provides for the splitting-up and creation of more States : is there the possibility of creating another State in Northern Queensland, and thereby reducing her influence in the Federal Parliament?—Yes, there is certainly a danger of this—and in this State also—and I think it a very good thing too. I do not think it would be detrimental to the general interests, because they would probably vote together, according to their own geographical area, if there were any attempt made to do anything which was unreasonable.

360. The Constitution of other States would not necessarily be prejudicial to the interests of New Zealand?—I do not think so. It could not be done without the consent of the State in question, and it would be no more prejudicial to the interests of New Zealand than to those of any other State. I think the principle of equal representation in the Senate will always be adhered to, and it is carrying out the principle in the United States Constitution, where they have two Senators in each State.

361. *Mr. Leys.*] Assuming that the Federal Government did take over the railways, I suppose they would take over the public debts as well?—I think so.

362. Would not the taking-over of the railways involve future railway-construction being made a Federal work?—Certainly.

363. Then, assuming that you consolidated the debts, we would require to go to the Federal Parliament for any new railway-works we required?—Certainly ; but I do not think in your case the railways would ever be taken over. The railways are taken over in these States not because it is a service that the Federal Government must necessarily have, but in order to have one combined system for the sake of obtaining freedom of trade in all parts, and to make laws which will prevent these railways giving the preference to any particular State.

364. Do you think the Federal Government would take over our debt without taking over our railways?—I think they might. Many people have proposed that the whole of the debts be taken over in Australia without touching the railways at all. The one thing does not absolutely depend upon the other.

365. You mean that they would charge us with the interest on these loans?—What they would do would be this : They would consolidate the debt, of which you would have a certain portion, and then, supposing our debt was consolidated at 3 per cent., you would have to pay only 3 per cent. to the Federal Government upon the debt which they had taken unto themselves. But I think that many of these things, as far as New Zealand is concerned, might well be left out of calculation ; they really do not touch the question at all of your coming in politically with us.

366. Only that we might be hampered with regard to our future railway policy?—There is nothing to prevent you borrowing locally.

367. Could we borrow to any advantage, seeing that our credit was so far pledged?—What would be done would be, I think, what is done in the case of the loans for India : there would be the guarantee of the Commonwealth for all your loans which they could approve of, and you could not expect them to guarantee loans of which they could not approve.

368. But that, of course, would make our entire internal policy subject to the approval of the Federal Parliament?—Under this Constitution the debts cannot be taken over without the consent of the States.

369. Unless by an amendment of the Constitution?—That is not intended, and that would never be done. There are certain specific conditions which would have to be altered by the process of the referendum, and it is not intended that they should be altered.

370. But they might starve the States into conceding anything?—They could not starve one without starving the others, and they are all so mixed up with one another that they would stick together against any such attempt.

371. Do you not think that as feeling grows the popular vote will go in favour of a considerable enlargement of the Federal powers and the contraction of the State powers?—I do not think so. Outside certain services, such as railways, I do not think there can be much enlargement of the Federal powers, excepting such enlargement of the Executive authority which is liable to come in under a great Central Government.

372. You have said that the States have territorial rights—they may construct railways with a view to benefiting their lands : is it not likely that such works may be undertaken by the Federal Government, and, if so undertaken, they may take the lands as security?—No ; the Federal Government has no authority to touch the lands without the consent of each State.

373. Excepting by an amendment of the Constitution?—You could not do it; it would be a breach of faith, which is not conceivable.

374. You mean after ten years?—I mean at any time. When the Bill came from the Conference in Melbourne the State Parliament in any particular State had power to agree to the division of its territory; but an amendment was put in the Bill when it passed the second referendum that there must be a direct appeal to the people before any territory could be taken from any State, so that it is almost impossible to imagine that any amendment of the Constitution would be introduced to override that absolute understanding.

375. Do you not think it probable that in the case of tropical territories the States might desire an amendment of the Constitution in such a direction as to place these tropical regions under the Federal Government for development?—There might be an endeavour made, however difficult it might be, to cut off the centre of Australia, and form it into what you might call a territory to be put entirely under the Federal Government, and I think that would be a very wise thing to do; but there is no use talking about changes affecting an arid district of Australia, and anything affecting a country like New Zealand, where the bulk of the land is settled and taken up under ordinary conditions: there is no analogy.

376. Take the case of trans-continental railways and irrigation-works?—I take it that all works undertaken by the Federal Government would be supposed to be reproductive works, and there is more likelihood of great public works undertaken by the Federation paying, and being no loss to the general revenue, than of works undertaken by a State.

377. Yes; but you do not regard a work that does not pay interest, although it promotes settlement and improves the country, as an unprofitable work?—No, but I mean where we often run railways in a certain direction in order to take the trade from other colonies, and carry goods at very low rates with the same object. The works done by the Federal Parliament would be free from provincial jealousies, and would be carried out on a proper mercantile basis. And then, again, I think that by the adoption of a system of Federal loans a very great saving would take place.

378. But has it never occurred to you that the inclusion of a country like New Zealand, having so little in common with the Continent of Australia, might really hamper the consolidation and development of national life in Australia?—I do not think so. I think the disturbing element would not come in if we were united. You have got a magnificent country, where we can go and see some of the greatest sights of the world.

379. With regard to this South Sea Island difficulty, external affairs are still in the hands of the Imperial Government, are they not?—We have nothing to do with anything outside of our own shores.

380. Then, this question would entirely be disposed of by the Imperial Government, I presume?—No; I think that just as united Australia has recognised the fact that, although there are thousands of miles of country between the different States, there is still a common ground for union, and a common interest amongst them, so this matter of the islands of the Pacific is one of common interest to us as well as to you, and a very much better result can be obtained from the British Government dealing with a Federal Government here embracing all Australia, New Zealand, and the adjacent islands as well probably, than could be obtained by Australia and New Zealand approaching the Home Government separately. It is better for us to join together and go with one voice to England with respect to the control of these islands than to do so separately.

381. Do you not think that there is as much chance of disputes arising if we were an outlying State of the Commonwealth, with chronic grievances, as if we were going along separately?—At present you are very friendly towards us, and in the event of union we should all go along like brothers.

382. *Hon. Major Steward.*] I think I understood you to say that our contribution towards the cost of the Federal Government would be necessarily absorbed?—But then you would be rid of the liability. The annual charge upon you, taking £300,000 as the estimate of the special expenditure of the Commonwealth, would be about £60,000.

383. Will not bringing New South Wales within the area of taxation, so far as the protective States are concerned, mean really a loss of revenue from Customs?—No; for this reason: that you make a million in the case of New South Wales through the introduction of the new duties, and, as there is about a million a year lost in the intercolonial duties in the case of the other States, New South Wales will about square that in the general average.

384. When the tariff is settled, will the duties be higher or lower than they are now?—It depends on many things. Each State has a different tariff, and the differences are so great that it is almost impossible to say what will be the character of the uniform tariff; but I should say that probably if the Victorians had to form the tariff there would not be very much difference between what the Victorian tariff is now and what it would be under federation.

385. *Hon. the Chairman.*] Assuming New Zealand joined, the Federal Government having taken over the Postal Department, what do you think would happen to the San Francisco mail-service to New Zealand?—That, of course, would be dealt with, I take it, from a broad political point of view, and that, in regard to any questions which dealt specially with the interests of New Zealand, a very great amount of consideration would be given to the representations of New Zealand, just as in the English Parliament a great deal of attention is shown to the Scotch representations, and to the Irish—sometimes. I take it also that the Federal Cabinet would contain one Minister from New Zealand if you federated with us, who would be looked on as the authority for dealing with New Zealand matters. This question of union must be discussed on broad lines and democratic principles, dealing with the interests of the colonies as a whole. We see that out of consideration for West Australia the mail-steamers are made to call at Fremantle, although it means unnecessary delay and loss of time.

THURSDAY, 21ST MARCH, 1901.

ROBERT LUCAS NASH examined. (No. 196.)

386. *Hon. the Chairman.*] What are you, Mr. Nash?—Financial editor of the *Daily Telegraph*, Sydney.

387. I need hardly say that you have lived in New South Wales a considerable time?—I have lived here rather over eight years. I came out from London. Before that I was the editor of the *British Australasian* in London.

388. Have you been connected with the Press here throughout the whole of the Federal movement?—Certainly; since 1892. I was in London for many years before that, where I was connected with the Australasian Press, and for some years was sub-editor of the *Economist*.

389. As you know, we are a Commission sent out from New Zealand to get information here as to the propriety or otherwise of New Zealand going into the Federation?—I have seen that stated; but, of course, the matter has not come before the people of New South Wales to any great extent, because I think the proceedings of the Commission have been kept a little quiet here.

390. Who by?—I do not know. The people here have been occupied with other things, and that is probably the principal reason. If we had not had the Commonwealth elections ahead of us it would have been very different.

391. Perhaps you might be able to give us some information that would be useful to us as to any advantages that you think would accrue to New Zealand from going into the Commonwealth, or upon the general aspect of the matter?—Well, I have not gone into the figures with regard to New Zealand as carefully as I have with regard to all the other States, which I saw from the first must come in; but, speaking generally, I think it would be very greatly to the advantage of New Zealand to join the Commonwealth. As a matter of trade policy I should think it would be greatly to New Zealand's advantage. Her soil and climate enable her to supply much of the produce which we require here, and she already supplies a large amount of that produce to New South Wales especially. If New Zealand were federated with Australia the produce she would supply to us would be double and treble what it is now, whereas if she stands out that produce will be to a large extent excluded.

392. What produce do you particularly refer to?—I have not the returns with me at the present time; but take simply the matter of oats: there is no doubt New Zealand can grow better oats than Australia, and at a price which none of the Australian Colonies can grow them at. She would command the trade of that description.

393. Do you not think that Victoria could grow them?—Victoria could grow them, but she excludes New Zealand oatmeal now by a duty of, I think, 9s. a cental; but that, of course, does not prove anything. I do not think Victoria is able to compete with New Zealand in the matter of oats.

394. What about wheat?—Wheat is a different thing. The Victorian and South Australian wheat commands a higher price than the New Zealand wheat.

395. Do you think that the Australian wheat would go into New Zealand to the prejudice of New Zealand growers?—I think not. It would go perhaps for mixing purposes, which would be to the advantage of the people generally. There is no doubt that New Zealand can grow wheat cheaper than Australia can, but it does not take the same stand in the market.

396. How about timber?—I do not think Australia grows anything quite in a line with the kauri. There may be timbers exchanged between us, but New Zealand would always send more to Australia than Australia would send to New Zealand.

397. Is there anything beyond oats and wheat—for instance, fruit?—New South Wales supplies fruit to some extent to New Zealand, and I think New Zealand returns the compliment.

398. What about hemp?—We do not grow hemp, but New Zealand does, and she supplies a considerable quantity to these markets now, and that is a trade which you would have practically in your own hands.

399. Do you think that, whether we federated or not, there would be much difference in the demand and supply of grain between the two countries?—To a great extent I think New Zealand grain would be excluded from Australia, not by New South Wales willingly, but by the Protectionists in the southern portion of the continent. I think they would be too strong to allow New South Wales free-trade views taking effect here in respect to imports of New Zealand products.

400. Do you think that even with free-trade there would be any chance of New Zealand exporting oats to Victoria?—Do you mean under federation?

401. Yes?—I think so.

402. Could you give us your views on the financial aspect of the question?—There would be, I should say, under federation some shrinkage in the New Zealand revenue. Of course, you can pick out various items, such as sugar, in which there must be a shortage of revenue; but the people would gain to that extent, as they would get the goods cheaper. I think, however, that New Zealand at the present time is in such a position that she could stand a slight reduction in her Customs revenue with the greatest ease.

403. Can you give us any idea of what the shrinkage would be in respect to the sugar duties?—It would depend, of course, upon whether there was an excise duty on sugar. I should think it highly probable that the Protectionists would put an excise duty on sugar, and I am not at all certain but what the Free-traders, if they got into power, would do the same.

404. You mean that there would not be intercolonial free-trade in that respect?—If there were an excise duty of £3 on sugar, and an import duty of £7 or £8, it would keep the supply entirely in the hands of Queensland, but there would still be some revenue.

405. You think there would still be an excise duty?—I think it is highly probable.

406. Have you yourself formed any opinion as to what the probable tariff would be of the Federal Government?—It would depend very greatly on the party in power; but there is a

tendency, of course, in respect to all these matters to compromise. Mr. Barton goes about the country and tells us that he intends to compromise the matter, and that will probably be the result. Of course, if the Protectionists get a very large majority, we would have as little compromise as possible; but the probability is that the tariff will be a compromise between the existing tariffs.

407. Have you formed any opinion as to what it will probably be?—I do not think I can without examining my notes.

408. Probably you are aware what the New Zealand tariff is: do you think it would be as high or lower than that?—It would vary. Many of the New Zealand items would certainly be reduced, and others probably would be increased. As a rule, I do not think there would be so much difference, excepting in a few items on which New Zealand at present levies revenue duty, and which in future she would obtain from Australia.

409. You could not, then, give us any idea as to what would be the probable loss of revenue to New Zealand by any alteration in the tariff?—It would necessitate my going through the Customs returns item by item before I could form a clear view on the point. I have done that with regard to all the other States, but not in the case of New Zealand; and if I expressed the opinion that there might be a loss of a quarter of a million, or £300,000, it would be open to modification after I have looked through the figures carefully.

410. But do you think it would be at least a quarter of a million?—I think so.

411. In round numbers the Customs revenue of New Zealand is something over £2,000,000, and you are aware that under the Constitution Act the Commonwealth can retain not more than one-fourth of the net revenue from Customs as a contribution towards the expenses of the Federal Government: could you give us any information as to the probable amount that would be likely to be retained by the Federal Government out of that New Zealand Customs revenue?—I have not the figures before me. It is easy to see what she would retain when the various services are taken over. You have the reduction of the post and telegraph expenditure, defence, and one or two other items, like quarantine. It is a matter that could be determined pretty closely.

412. I am speaking of the Customs revenue: what portion do you think would be retained for the expenses of the Federal Government?—That, of course, does not refer only to New Zealand. Financially, the Commonwealth Act is a very complicated arrangement, and, whereas they can retain up to 25 per cent. of the whole, it might mean 30 per cent. in the case of New Zealand, or 20 per cent.; I should not like to say without going into the figures. The Braddon clause does not refer to New Zealand or to any single State, but to the net revenue of the whole of the States put together, and it might affect the States differently. I know that in some cases it does affect them differently. Then, of course, the position is complicated by the new expenditure being charged at so-much per head of the population; so that there are two forms of accounts. I will send you the figures in a couple of days as I work them out, but I imagine that you have worked them out yourselves. [Figures since received from Mr. Nash—see Appendix.]

413. What is your opinion of the distance question—as to the effect of New Zealand's distance from the continent on the question of administration?—It makes a considerable difference in certain ways, but, with regard to defence, posts and telegraphs, I consider that the distance is a comparatively small matter. The Federation which has started here will grow, and will certainly in time include the debts and the railways. It is but a question of time. Of course, during the campaign here I fought very strongly for the debts and the railways being included in the Federal arrangements at the outset, because here the railway question especially is a vital one, as State control enables one State to fight another after federation if they retain the railways in their own hands. Of course, in the case of New Zealand the railway question can be viewed from a different aspect altogether, and New Zealand, I imagine, would require to have as much of the control with regard to railway expenditure and railway extension as she possibly could get. The Commonwealth would not be so good a judge as the people of New Zealand would be with reference to the railways in that colony. That, of course, was the position which was discussed here some years ago, and Mr. Eddy, the late New South Wales Railway Commissioner, went into that matter very fully and proposed that under federation each State should appoint one of the Federal Railway Commissioners, who should be intrusted with the control of the railways in that State, subject, of course, to the general Council, and that each State should retain the power which is left to the provinces of Canada—that each State should retain the power, if the Federal Government would not construct an extension which was considered necessary in the State, to do so itself, and an arrangement could be made with regard to working this special extension. It is a difficult question, and one which will have to be faced before very long, and it is a question which I think New Zealand would be peculiarly interested in, as she is in a different position from that which obtains here.

414. In reference to the departments that the Federal Government are sure to take over, such as Customs, Post and Telegraph, and Defence—those they take over at once—how do you think that distance would affect the administration of those departments?—I hardly think it would affect them materially.

415. You have mentioned the matter of free-trade, and of an extended market for New Zealand produce: beyond that, what is the advantage that is to accrue to New Zealand from going into the Commonwealth?—I consider there would be great advantages to be obtained politically, as at present we find New Zealand and Australia divided upon a great many questions, such as the control of the islands in the Pacific.

416. That is a vital question now, and could you give us your views about that?—I consider that it would settle the question of the control of the Pacific in the only way in which it is possible ultimately to settle it. New Zealand, we may take it for granted, would never be allowed by Australia to obtain superior rights in connection with those islands, and in the same way New Zealand would oppose Australia obtaining them, and ultimately there must be an arrangement by

which both should be equally served. New Zealand, from her proximity to so many of these islands, would undoubtedly come to an arrangement under federation to obtain a considerable part in them, and it would be an advantage of which Australia could not deprive her; otherwise, if there is to be antagonism, I imagine that for years to come the question with regard to the Pacific would remain altogether unsettled, and would always be a burning one.

417. Do you think that the matter could be accommodated by certain islands being annexed to the Colony of New Zealand, and certain of them being annexed to the Commonwealth of Australia?—No, I do not think so at all.

418. Do you not think the matter could be accommodated by the islands being left as they are, and not attached to either?—Of course, they would have to remain very much as they are now; but the Commonwealth Act gives a certain amount of power to the Government of Australia with regard to the islands of the Pacific. The extent of that power is ill-defined, but there is a certain amount given.

419. What about the power of legislation beyond the boundaries of the Commonwealth: do you mean anything beyond that power?—There is a power affecting uniformity of trade relationships. The position would be this: that the Commonwealth would obtain such an accession of influence in the United Kingdom that I should think it would be highly probable that the wishes of the Commonwealth would receive special consideration. Now, it is a matter that would be worth your while considering, whether that would not be the case. Hitherto the Australian Colonies have been divided, but now, on a question of that sort, they will speak with one voice, and it will be a very powerful one.

420. Are there any other advantages which would occur to New Zealand through federating?—There are several others; for instance, I think the laws of New Zealand should be similar to those of Australia in respect to a great many questions, which are quite outside my province as a financial man, but if you read down the list of the thirty-nine articles on which the Commonwealth can legislate you will see that there are a great many advantages to be obtained by having uniform laws.

421. There is the Arbitration and Conciliation Act, that, of course, would interfere with the Act of the State itself?—Yes; but take also coinage, banking, and insurance.

422. The labour question is a burning one in New Zealand, and, supposing the Commonwealth Parliament took up the matter of a Conciliation and Arbitration Act, how do you think New Zealand would be affected by that?—I should not like to express an opinion on what lines Australia would legislate.

423. What about the coloured-labour question in Queensland: how do you think New Zealand would be affected by that? Do you consider that there is a prospect of this question of a "white" Australia becoming an accomplished fact?—My personal views are so entirely different from the views of the majority on that subject that I hardly like to express an opinion. I consider it is almost criminal in the Australians to take a million square miles of tropical country and say that, as within this area the white man cannot work, it shall lie idle for all time. But it is not the view of the people here. And with regard to New Zealand the kanaka is a comparatively small matter. You in New Zealand have a much larger Native population; and my own view is that sugar cannot be grown in the tropics without suitable labour. If the kanaka or other suitable labour be driven out of the tropics it means the sugar industry coming further south. Sugar will have to be grown in southern Queensland and northern New South Wales. Without suitable labour the effect will be to stop tropical cultivation altogether.

424. *Hon. Captain Russell.*] You have pronounced views, apparently, upon the possibility of the occupation of tropical and sub-tropical Australia by a white people. If you look to the history of the black man in America you will see that he has been a source of trouble?—But the wealth of America was originally made out of the black man. Take cotton alone: he adds, I should think, to the wealth of the United States £140,000,000 or £150,000,000 a year, and they could not get it without him; and if you have a tropical country you must have tropical labour, or let that country lie idle.

425. You think, then, that, whatever the law of the Commonwealth may be, Northern Queensland will not be "white"?—No; without coloured labour it will largely be a desert.

426. Then, do you think it would be possible for the country to remain a desert unoccupied by a coloured race in some way or another?—I should think in time they would permit a certain amount of coloured labour; you could confine it to the tropics, and have special legislation for it; but this question would solve itself in time.

427. Have you any idea what proportion of Australia is of that nature where the white man will be unable to labour in it?—Certainly more than one-fourth.

428. In the course of your reading, have you read of any country in the world where white labour has been able to continue and to perpetuate itself in the tropics?—It generally deteriorates, but I think that in the hills of India you will find as rosy English children as you ever wished to meet, and within the tropics.

429. That is practically your defence. Is that the only place?—It is the only place I know of, but I dare say there are others.

430. Do you think there will be a tendency to abrogate the powers of the States and to magnify those of the Central Government?—There must be. At the present time the finances of the Federal Government are really subservient to the States. The Federal Government will have an expenditure of four million pounds, while New South Wales will have an expenditure of between ten and eleven millions, and Victoria of between six and seven millions. Those States will come to look down on the Federal Government. The Federal Government is tied hand and foot, and has to account to the States for every penny it expends. It is a position which cannot last.

431. Do you think there will be a tendency towards unification of Government rather than a true Federal style of Government?—The tendency will be that way, but as to how far it will be

altered I should not like to say. I think it will approach eventually very much to the conditions in Canada. I consider that the present financial arrangements under the Commonwealth Act are quite unworkable, and that is my principal starting-point. They cannot go on. They cannot keep separate accounts between the States, or keep up these Customhouses between the States simply for statistical purposes.

432. *Hon. Mr. Bowen.*] I gather from what you say that you think the most urgent question that may create a difficulty between New Zealand and Australia will be the Island question?—I think the most immediate question for New Zealand is that of her trade. That is the vital point. I think that the trade of New Zealand with Australia would, under federation, increase within a couple of years by £750,000 or even more, and the consideration is a very important one in view of federation.

433. But the present tariff with New South Wales is practically a free-trade one?—But New South Wales cannot carry her present free-trade tariff under federation, and she might have to come down to what it is in Victoria. If you join the Federation your trade will be increased by your obtaining free access to the whole of Australia, whereas now you are excluded beyond the confines of New South Wales, and if you do not join you will be largely excluded from New South Wales. Taking the New Zealand tweed-factories and articles of that sort, I think the fact that the New-Zealanders have been able to hold their own so exceedingly well, and to enlarge their market, will mean that federation will be quite as much to their advantage in respect to such manufactures as it will be to the advantage of Victorians.

434. But, of course, you are aware that most of our trade is with the Home-country, and not with Australia?—I think that one or two of the New Zealand woollen-mills have opened offices in Sydney. I do not know that they are doing much business, but they are doing something.

Mr. Roberts : They have closed again.

435. *Hon. Mr. Bowen.*] With regard to the question of sea-distance and its influence on the Government, do you not think there would be a very large difference between the public opinion on the continent here and public opinion as expressed generally in an island twelve hundred miles away?—There would be points of difference, but I do not think they would be in any way vital. I think the questions which are handed over to the Federal Government are not such as there can be any great difference of opinion upon.

436. Taking such a step as New Zealand took lately with regard to the introduction of the penny-postage, a matter we are pretty well unanimous on, New Zealand could not have done that had she been connected with the Federation?—No.

437. Does not a country by federating give up its autonomy to a great extent?—Yes.

438. Then the question arises : what we are going to get in return for that? Do you not think that an Imperial connection will preserve us from attack just as much as if we were part of the Federation?—I have always found that, while there is a loyal feeling with regard to the Mother-country, it does not produce any feeling of loyalty to neighbouring States. I think it acts rather the other way.

439. *Mr. Leys.*] What about South Africa?—In South Africa it has acted very much the other way, and I think it has been the same here, where you find an antagonism between New South Wales and Victoria, although, of course, both are loyal to the Mother-country.

440. Do you not think there is a great deal in the fact that coterminous lines of boundary exist in the case of the continent here which produces a community of interest, which does not exist in the case of an island State?—Some colonies in our case pursue a policy having in view the checking of the trade from other colonies as much as possible.

441. That is to say, the coterminous boundaries have tended to that greatly?—It does not matter whether you have a boundary of a river or a boundary of twelve hundred miles of sea. New Zealand has pursued the same policy.

442. There cannot be the battle of the railways, like that Riverina business, in our case?—There could not be, but there might be the battle of the ships. We have our ocean highways, and I think they are even more important than the land railways. The means of communication between the Australian States must to a large extent be by sea, and even now the ships take goods from Melbourne to Sydney at half the cost the railway does, and when once you get a quantity of goods on board a ship it does not matter whether you carry them six hundred or twelve hundred miles, the cost is very much the same. It is different on the railways.

443. But what about passengers?—Passengers are different, and many of them try to avoid the sea.

444. But does not the coterminous land boundaries create some community of interest between the members of States which are united by land that would not be possible between such States and a country to reach which you have to go over a pretty stormy ocean?—I do not think I could speak with regard to the passenger traffic. There is no doubt that the promotion of trade increases the passenger traffic, and there is a big passenger traffic now between Australia and New Zealand, and I am convinced that if you increase the trade connection between the two countries the passenger traffic will increase also, but whether it will be increased to the same extent as between Sydney and Melbourne, or Sydney and Brisbane, I should not like to say.

445. *Mr. Roberts.*] You roughly estimate the loss to New Zealand at £250,000?—Yes, on the existing trade.

446. You think it is probable that the sugar duty would go?—The Customs duty would be inoperative.

447. That would mean a loss of £158,000 to New Zealand, and then our tobacco duty is 3s. 6d. per pound, and we might reckon that the new duty of the States would be 2s. a pound : how would that affect us?—The import duty is higher here on manufactured tobacco than 2s., but the excise duty is, in some States, very low indeed, and in South Australia it is nothing. The import duty on

manufactured tobacco here is 3s., and 1s. if imported raw for local manufacture; then there is the excise duty afterwards, so that it would make good much of the loss on the item of tobacco.

448. Would it not be pretty well £100,000 with 1s. a pound reduction?—You would find a great many reductions would be made which would lead to a much larger revenue. You get a larger revenue on a great many items in a tariff if you reduce the duties.

449. But then our import duty on spirits is 16s.: what would happen in that case?—If you reduce that duty to 12s. you would find a probably bigger revenue would be obtained, as a larger quantity would be consumed.

450. Assuming an average tariff of 15 per cent. were imposed under the Federal tariff, our loss of revenue would be about £250,000, excluding sugar, tobacco, and spirits?—Yes, but a great many items would be higher than 15 per cent.; take kerosene, for instance.

451. Kerosene is free with us now?—But there is sure to be a duty on kerosene, as the Commonwealth cannot get on without it.

452. Taking this proportion, do you not think the loss to New Zealand would reach something like over half a million?—I do not think it could be more than £350,000 to New Zealand.

453. Then, there must be a much higher tariff than you conceive, as basing it at 15 per cent. the loss would be £250,000?—The Australian tariff will not be higher than 15 per cent. over everything, outside stimulants and narcotics. It may be 15 per cent. *ad valorem*, but when you come to the specific duties they would be raised to 35 and perhaps to 50 per cent.

454. But do you not think the loss will be very much more than you estimate?—I do not think so. In the case of New Zealand there are so many compensating conditions. There are many items in the revenue in regard to which there will be a large increase, and the £350,000 will certainly cover the loss.

455. But you would not consider it reasonable for New Zealand to join the Federation until she knew what the tariff would be, and what would be the loss from it?—Australia has gone in without considering the financial question at all, and I marvelled why Australia did so. In the case of Queensland it is a very serious question; but I do not regard it in the same light in connection with New Zealand, because I consider that New Zealand could come in with far better prospects financially than Queensland.

456. Do you think that anything like a fair proportion of the Australians understand the question in all its bearings?—I think that the great majority of the population did not understand the question at all, excepting with regard to the political aspect of it. They gave up the financial question, and said, "We shall let the finance settle itself," and that is the position to-day.

457. *Mr. Millar.*] One very strong argument put forward in favour of New Zealand federating has been the great saving it is said there would be to us and to all the colonies through the conversion of loans: did you go into that question?—Yes; I have studied it considerably. I think there is a great saving to be effected, and probably an increased appreciation to be secured in the London market. With regard to New Zealand loans, conversion under the Commonwealth might prove to you a less considerable advantage, as your loans at present stand exceedingly well in the London market, and rightly too. But for all that, there are a number of serious matters to be considered in the case of New Zealand. New Zealand has a number of large stocks falling due on one day—in one case as much as £29,000,000—and it would be a very serious matter for New Zealand were such a stock to fall due at the present time. But the conversion into Australian consols would be a distinct advantage.

458. Are you aware that we are automatically converting all the time?—Yes; and you are the only Australasian colony which has adopted any sort of conversion.

459. As a financial expert, do you see any advantage from a national point of view in converting a loan prior to maturity?—There is less advantage in the case of New Zealand than there would be in the case of Australia, because New Zealand has already converted on two occasions, and Australia has never attempted any conversion. There is more scope in the case of Australian loans than in the case of New Zealand loans; but there is this to be considered: that under federation any advantage obtained by the Federal Government applies fairly equally to all the States, and New Zealand would obtain her share of the advantage.

460. Do you anticipate that the Commonwealth will be able to get money in the London market cheaper than New Zealand could if she remained a separate colony?—In time, yes.

461. Do you anticipate that Australia will be able to get money at much less than 3 per cent.?—I think the 3-per-cent. rate is as low as we can expect it for many years to come. I have an idea that in London the tendency will be for money to rise, and not to fall, and I cannot attempt to hazard an opinion about what the rates will be twenty years hence. I feel convinced, however, that we shall not get money much cheaper.

462. Are you aware that the price we are giving for our own loans is 3 per cent., and that we are getting money at that price?—Yes; but if New Zealand continues to borrow internally, she will not get money at 3 per cent. for long.

463. But if she continues to borrow money at 3 per cent., you do not anticipate that the Commonwealth will be able to do anything better?—No.

464. So, from that point of view, she is just as well off as she would be if she joined the Commonwealth?—It depends. I do not think she would be as well off, because New Zealand, if she borrows internally, or in London, will not continue to borrow at 3 per cent.

465. *Hon. Mr. Bowen.*] Of course, you are aware that the great bulk of New Zealand's liabilities will not become due for twenty-nine years?—Yes.

466. *Mr. Millar.*] In the case of the Postal Department and the Marine Department, which are taken over, New Zealand has a considerable revenue—a profit; but I think you said there would be a big saving by the transfer of those departments; but would not it be rather the other way, that we should lose something?—Yes; but the profit is not large, and the profit on one counterbalances the loss on another.

467. Then, perhaps you are aware that a great deal of our legislation of a social character is very much in advance of what exists in Australia at the present time, and do you not think that our manufacturers would be hampered under federation until such time as the Australian legislation came up to the same level as our own?—There will always be these differences at the start; but the aim of the Commonwealth, of course, would be to reconcile them at as early a date as possible.

468. But do you not think that while it is being reconciled it is going to be a very serious menace to our manufacturers?—I have an idea that the Australians have been waiting to see the result of your experiments, and I am not at all certain but what Australia was wise in so doing; but, although there must be these differences at the start, it is quite within the power of the Federal Government to assimilate all the social legislation. They have the right to deal with a Conciliation and Arbitration Act at any time, and they probably will legislate on that matter.

469. Have you worked out what the estimated saving to Australia would be under a conversion system at existing charges?—They could not carry out a conversion with any degree of success at the present time. You have to watch your opportunity; but at a favourable opportunity I think Australia might save £600,000 a year. Of course, if you work out the conversion fully, it would amount to a bigger sum; but there is always a large proportion of holders of securities who will not convert for a lower rate of interest. £600,000 a year is about what they could save over the whole of Australia.

470. *Mr. Beauchamp.*] How do you account for the fact that, while New Zealand $3\frac{1}{2}$ -percents are quoted at 108, New South Wales $3\frac{1}{2}$ -percents are at 102?—You refer to the cable messages that are published every week?

471. Yes?—New South Wales does not have the arranging of those messages. There are two New South Wales $3\frac{1}{2}$ -per-cent. loans, and one always has been rather above the other, and it is the lower one which is always cabled. I do not know why that is, but I have an idea that Victoria arranges these cable matters rather to the disadvantage of New South Wales, because our loans are rather higher than the Victorian. The principal reason why there has been a drop in New South Wales $3\frac{1}{2}$ -percents lately has been because the London market expects a loan, and if they get a New South Wales loan they like to put down the price beforehand, so that they can make a profit. If it were known that New South Wales would not borrow in London for another two years, you would find that the price would go up very considerably.

472. As to our trade with New South Wales, I suppose you are aware that at the present time only about 8 per cent. of our total exports goes to Australia, and the balance to the United Kingdom?—But the trade you do with Australia must be more profitable than what you send to the Mother-country.

473. It might happen that out of the produce we ship to New South Wales we may make 5 per cent. more than on the produce we ship to the Home-country, which on a million would be £50,000, and we have to place that as a set-off against the share New Zealand would be compelled to bear of the Federal charges?—That is not the way, I think, to look at it; that is the merchant's way, but when you look at it from the country's point of view you have to take the total sum that they are paying to you.

474. That being so, and considering at the present time the balance of trade, if you exclude gold, is slightly in favour of the Commonwealth, is it likely that the Commonwealth would exclude the produce of New Zealand while such a large reciprocal trade is carried on?—In part, I think, Australia would. The New Zealand trade would be stimulated greatly by your joining the Commonwealth, and your external trade would not be checked, because in some articles you would have a lower tariff than now with the outside world, and you would at the same time have knocked down all the barriers which separated you from Australia.

475. Have you considered the fact that the excise duties would be possibly very much lower than the average rate of duty in New Zealand, and the transhipments that would follow through the removal of the duties?—I think the people of New Zealand would be the gainers by that. If New Zealand reduced her tariff on tobacco by 10 per cent. to-morrow the possibility is she would have quite as big a revenue as she has now. The high duties check consumption, and your tariff taxes so extensively that a reduction in duties all round would increase the revenue—that is, dealing with the question simply from a revenue point of view.

476. And you speak as a Free-trader?—Oh, yes.

477. Do you think we would get any refund out of that 25 per cent. which we have to contribute to the cost of the Federal Government, or do you think the whole of that would be absorbed?—You would be relieved of Posts and Telegraphs £388,000, and Defence £142,000, that would be £500,000. Your expenditure now on defence must be considerably more than £142,000; and the position is this: that you would require to have a return of 80 per cent. to put you in the position you were in before.

478. Would not that difference have to be made up by some form of direct taxation?—I should not like to say that.

479. You spoke of the possibility of an excise duty being placed on sugar; but would not such duty only be enjoyed temporarily in such State where the sugar was consumed—it would not be a permanent matter?—The people in the south would undoubtedly like a permanent excise duty on sugar, but whether they would be able to carry it is a doubtful matter. It would be strongly opposed here and in Queensland.

480. It is not definitely stated how these excise duties must be dealt with after a period of five years: do you think it is likely that there will be a strong feeling in favour of the excise duties being enjoyed in the various States in which the goods are consumed?—Certainly; but the book-keeping system is not a permanent arrangement, it is only for five years, or longer. It will probably break down. If a State enters the Commonwealth you ought to take the revenue and expenditure of that State, and see what liabilities are handed over and what revenues, and then see

what sum you would require to be returned to you. If you get an arrangement of that sort it would be simple and workable, and would save expense, but to attempt to make distinctions between each State in the accounts which cannot be properly kept seems likely to lead to confusion, and possibly some ill-feeling.

481. Does the eight millions and a half which have been referred to by Mr. Barton include a specific sum for defence purposes?—Yes, I think about £600,000 a year, but it is not enough. There is, however, at the present time such a drag on the Commonwealth with regard to its finance that I do not see how it can spend much additional on defence.

482. Have you thought of the effect upon the small industries of our colony in the event of intercolonial free-trade, by reason of the large industries of the Commonwealth exporting their surplus to New Zealand?—I do not think they would do so to any material extent. Queensland exported her surplus once to Canada at a loss; but I quite agree that there would be a tendency to concentrate manufactures at certain points.

483. Which means that centralisation enables you to turn out articles very much cheaper than generalisation?—There is always that tendency, but in some respects New Zealand would be able to specialise in the same way. All the trade is not going to centre round Sydney or Melbourne. In Melbourne they think it is, but they will wake up to the fact that it is not so before long.

484. Do you think the cheaper coal and water-carriage will put the balance of power in favour of Sydney?—Probably; but we have hitherto enjoyed cheaper water-carriage because of free-trade.

485. Do you think that the fact of our Commission being very little known argues that there is want of interest between here and New Zealand?—New Zealand started off by saying she did not intend to join the Federation, and Australia looked upon that as rather a snub. Now, this Commission has arrived here at a time when we are absorbed in the elections, but had you come at another time there would have been considerable excitement over your visit.

486. *Mr. Luke.*] You spoke rather lightly of the distance between New Zealand and Australia; but do you not think that nine-tenths of the people rather object to a sea-trip?—I think many men do object to it.

487. Do you not think that would be a serious fact, as preventing community of interest between Australia and New Zealand?—It might have some effect, but not much.

488. As regards the expenditure of money by the Federal Power, do you not think that influences would be brought to bear by the States within reach of the Federal Power as against the interests of New Zealand?—No; there are so many outlying States in the same position, and they would be inclined to check rash expenditure quite as much as New Zealand would. I do not think there is any difference in your position from that of Tasmania or Western Australia with regard to distance from the capital, supposing it were placed at Bombala, or elsewhere in New South Wales, or with regard to the expenditure of public money.

489. If New Zealand joined the Federation, do you not think that Tasmania would displace more or less of our produce which is sent to Australia now?—I do not think so. One effect probably would be that Victoria would largely give up growing oats; but there are many products which Victoria can produce better than you can. There is one article of trade which New Zealand could gain an extensive advantage in—that is the higher quality of her meat. She would be able to enter the Australian meat market with some effect by shipping chilled meat to Melbourne.

490. But do you not think the prejudice against chilled meat would place us at a disadvantage?—There is no prejudice against chilled beef or mutton.

491. With regard to labour legislation, a New Zealand manufacturer stated that it places him at a disadvantage of 20 per cent. in competing against Australia where such legislation does not exist?—If that is the case, I am afraid it would be all up with him. He could not stand a 20-per-cent. handicap. But 20 per cent. must surely be an exaggeration.

492. *Mr. Leys.*] If the present financial system breaks down, do you contemplate that the Federal Government will take the entire Customs and excise, and hand back to the States whatever it pleases?—No; the Federal Government will not be allowed by the States to do anything it might wish to do in that way. It will have to come to a mutual agreement with the States.

493. But, after a lapse of ten years, is not the Federal Government supreme in the matter?—Yes; but there is a State House created in the Senate, which is a very powerful House, and can veto anything it does not like.

494. Do you contemplate that the Federal Government will absorb some of the important functions of the States?—The debts and the railways.

495. In that case what will be the position of the States with regard to the construction of railways?—The State could practically construct the railways as it does now. Under the Federal Government a Commission would be appointed to see that the States did not injure one another, and that the railway revenue was pooled; but if New Zealand, for instance, wanted a line along the west coast of the South Island, or something extravagant that the Federal Government would not undertake, New Zealand would have to undertake it itself. It would still have the power to make a railway wherever it liked, if the Commonwealth objected to incur the liability.

496. If a State were to borrow for that purpose, could it borrow with any advantage?—Not with much advantage; but the State credit in the London market would be, I suppose, 5 per cent. lower than the credit of the Federal Government.

497. What about the loans we have been raising for the purpose of buying lands for settlement?—That is entirely a State matter which the Federal Government cannot touch. The lands are wholly State property.

498. Do you think that our credit for such purposes would be injured by the fact that the Commonwealth had taken the control of the Customs and excise revenue, and had generally assumed the consolidated debts?—The State credit certainly would be affected to some extent.

499. Would it be seriously injured?—I should not like to say seriously, but the State credit, as compared with the Federal credit, would be on a lower scale.

500. Do you think it would be brought down to the level of the present municipal finance?—I should think so—about the same. It might be a little higher. The State would be able to borrow on something like the same terms as Sydney or Melbourne could borrow.

501. *Hon. Major Steward.*] Does not New Zealand stand to lose, if she kept out of the Federation, the trade she has now with New South Wales, which is a free port?—Yes; the bulk of the shipments to New South Wales would be stayed, and some of the trade which now goes to the other ports would be stayed also.

502. If that effect is to follow, would there not be an advantage to balance it in the fact that there is likely to be a lower tariff in the protectionist States?—No, I think not; for this reason: that the Commonwealth would have so much larger a population than any one of the States that protectionist duties would exercise much the same effect, even if they were reduced. If you increase the population to double what it is now in Victoria, you would find that greatly reduced duties would be as effective from the protectionist standpoint as the present Victorian duties are.

503. Have you formed any idea of what the cost of the Federal Government annually would be?—I should say that the annual cost of the Federal Government will be far greater than any official estimates hitherto formed. It would need more than £2,000,000 a year from Customs and excise for its own expenditure, and if New Zealand were included the Federal Government would want nearer £3,000,000.

504. Supposing we have to contribute £300,000, would it not mean that we should have to raise three-quarters of a million by direct taxation, in addition to what we now raise?—I certainly think not. I think any increase of direct taxation might be avoided. You have now a substantial surplus, and that surplus would perhaps go, but beyond that you would not be called upon. I do not consider you would require to make any economies. I think that surplus would be sufficient to cover all loss of revenue and increased expenditure.

505. Supposing the Commonwealth Parliament legislated for old-age pensions, and made the pensions different from those now obtaining in New Zealand, should we not have to submit perhaps to our pensions being cut down?—Certainly; but the probability is that in all these matters there would be a levelling-up.

506. What do you think would happen with regard to the penny post?—Things would remain as they are until the Federal Government introduced special legislation; but then it becomes a question of revenue. Australia would like to have a universal penny post if it could afford it, but I am inclined to think that it will have to wait some little time.

507. If we entered the Commonwealth, should we not immediately have to revert to the Commonwealth rates?—No, not necessarily. The Federal Government takes over the liabilities and the arrangements entered into by the States, and is bound by them. That was the case with regard to the recent arrangement with the Eastern Telegraph Company: Tasmania, South Australia, Western Australia, and New South Wales entered into an arrangement which bound the Federal Government, and that Government cannot revert from it.

508. In estimating the net disturbance to our revenue through intercolonial free-trade, and our contribution to the cost of the Federal Government, have you taken into consideration the question of interest on the capital value of the buildings taken over?—I do not know what the value of the public buildings for Posts and Telegraphs or the defence-works would amount to in New Zealand, but I should say that in Australia there are about fifteen million pounds' worth of such works to be taken over, and possibly with New Zealand there might be another £2,000,000. The Federal Government will not be able to pay each colony in cash for them; they will probably take over a certain amount of the debt, or agree to pay interest at the rate of $3\frac{1}{2}$ per cent. on such debt, and for maintenance of buildings another 1 per cent., so that you might reckon on $4\frac{1}{2}$ per cent. on the capital value of these works so taken over; that is an expenditure of about three-quarters of a million a year, of which the States would be relieved by these works being taken over.

509. Taking the two matters into account, is it not probable that the annual moneys that the Commonwealth will require to disburse will be something like £2,000,000 a year?—Yes, more than that; and if New Zealand were included, it would want nearly £3,000,000 out of the Customs and excise.

510. *Hon. the Chairman.*] As a financial expert do you think there is any saving ultimately to a State by the conversion of a loan?—Yes. I know different opinions have been expressed, but I think there is a substantial saving.

511. But do you not have to pay the same ultimately for your loan as the value of it at the time of conversion?—No. If you look at the list of the London Stock Exchange and take the loans of any State you will find that a 3-per-cent. loan yields the lowest rate of interest to the buyer, and all the rest yield higher rates to the buyer as you go up, which shows that the investor appreciates the 3 per cent. at a more substantial figure. He does not relatively appreciate a loan which has risen to a big premium.

512. In answer to Major Steward you spoke of the Commonwealth taking over the defence-works and public buildings, and of the Commonwealth having to allow the State interest on the capital value of such works and buildings. If that is so, would that make any difference to the finances of the States at present that have to pay the interest upon the loans for those works and buildings—if they had to pay a large contribution to the Federal finances on account of the Federal Government having taken them over?—Yes. Every item of expenditure taken over makes a direct difference to the States, for this reason: that after taking over that expenditure, or any additional item of expenditure, the Commonwealth still has to return 75 per cent. of the revenue from Customs and excise, and it has to balance its own expenditure out of the 25 per cent. remaining.

513. But the point I wish to put to you as to your answer to Major Steward's question, from which it appeared that the contribution of the States to the Federal Government would be larger by

reason of the fact of these works having been taken over, is, Is not the State relieved of its own expenditure in reference to those works?—Certainly.

514. Then, where is the difference?—It is relieved of its own expenditure, and yet has to receive back 75 per cent. of the Customs. It is an advantage to the State. If the Federal Government arranged to take over further expenditure, and still had to return the 75 per cent., it is an advantage to the State all the way through.

515. *Mr. Leys.*] Did you mean to infer that the Federal Government would be permanently restrained from altering the penny-postage in New Zealand?—No, I do not think I could go that distance; but if you had entered into contracts with the British Government, or with any other outside Power, to charge a certain rate, it is a commitment by which the Federal Government would be bound; but you have not entered into any internal contract with the different States here, and they would not disturb any arrangement of that sort until after legislating definitely for all the States.

516. That legislation might take place as soon as the Federal Government meets, and what would happen then?—I should think that they would not be able to touch the postal arrangements for a considerable time to come, as there are such a number of important questions cropping up, and I think they will fight over the tariff for seven or eight months.

517. As soon as they can tackle the question I suppose they will make uniform postal arrangements, will they not?—I do not think it is compulsory, and I should think it would be far better for the Federal Government to leave such arrangements which have been entered into by the States to stand as long as possible. It means that in the interests of unification they would probably have to come down to the universal penny-postage, and they cannot afford it yet; and when that happens I should think New Zealand, having led the way, would carry the day as to what form uniform postal legislation would take.

518. Do you think the other colonies would be satisfied under Federal management to allow New Zealand to have a penny post while they had to pay 2d.?—As long as there is no definite legislation on the subject they must be satisfied; but the Federal Government will not legislate on it until they see their way to do so.

519. *Hon. Mr. Bowen.*] Do you think there is a general tendency to have a uniform rate?—I think there is. Australia certainly wishes the penny rate, and the probable effect of Federal legislation will be to adopt it.

520. *Mr. Millar.*] About the revenue and the State charges: I find here in the "Seven Colonies" that there is a deficiency of £300,000 in the Postal Department of Australia, and that they charge interest and cost of maintenance. The net profit to New Zealand on that department is £27,000?—That, I think, would be quite likely.

WILLIAM FRANCIS SCHLEY examined. (No. 197.)

521. *Hon. the Chairman.*] You are the President of the Labour Commissioners in New South Wales?—Yes.

522. What are your duties in that respect?—They are more varied than defined, but generally to watch all movements which concern the labour-market; and particularly to take charge of all matters affecting the unemployed—those who complain that they are unable to find employment in the ordinary avenues, and who appeal to the Government to find work for them. We have a labour bureau, and we classify all applicants into one of five classes, and then send them to work according to the rota kept in connection with each class. We have a State Labour Farm where we send single men who are unable to maintain themselves, and we are charged to initiate, almost immediately, a labour farm on a larger scale to which we propose to send married people and children.

523. *Mr. Millar.*] I suppose you have a pretty wide knowledge of the general conditions of labour here, Mr. Schley?—I think I might claim so.

524. In regard to your Factories Act, it is nominally intended to provide for forty-eight hours being the legal number of working-hours per week; but can you tell me whether the forty-eight hours are the hours generally observed in the factories here?—The Factories Act is administered by a different department, and if you call the officer who is in charge, Mr. Clegg, he will give you the information.

525. We have evidence from Mr. Clegg that they cannot enforce the forty-eight hours owing to their not being fixed by statute: is that so?—There is a maximum number of hours beyond which you cannot go, and in the case of factories it only applies to girls and boys under a certain age, and not to men generally.

526. Have you any idea of the number of hours the men are working in the factories?—In ordinary times about sixty per week.

527. Unskilled labour, I believe, is about 7s. a day here: is that the standard paid by the Government?—No. I should say that the standard in other classes of unskilled labour is considerably below that. Seven shillings is the standard which the Government have fixed here for men employed by them, and for the men employed on Government works; but even that is subject to variation, inasmuch as we have a regulation that the engineer in charge of any works, if he is of opinion that the man is not worth that, does not pay it. We have three grades of workmen employed on public works—I refer to the unemployed whom we send to those works. There are the first-class able-bodied labourers for whom the standard is fixed at 7s. a day. Then there is the third-class, consisting of wholly or partially crippled or maimed men, or men who are incapacitated through sickness, or of pronounced weak physique; the rate of pay for those men is 5s. a day. Between these two classes we have the second-class, which is the largest class of all, and into which we put all those who are not considered good enough to be put into the first class and not bad enough to be put into the third class, and their standard wage is 6s.; and the instructions

sent to officers in charge are that if any man is sent to him as a first-class man and he finds that he is not a first-class man he may reduce him to the second class, or, if the man objects, he puts him off the job.

528. Are your Government works carried on by day-labour?—Not at all.

529. Do you go in for the co-operative principle at all?—Only to a very small extent, and only in this way: that we have let a number of small public works from time to time to parties of men—such as repairs to a road or the obtaining of ballast. A set amount is put down for the work, and the men select a ganger, who is recognised as the intermediary between themselves and the Government, and to him the money is periodically paid according to the measurement of the work, and is divided in the presence of the Government officer amongst all the men equally; but as to any system of Government co-operative works we have none.

530. *Mr. Beauchamp.*] Do you find that the officers who have the power to raise or lower the men in the various standards, in the case of finding employment for the unemployed, carry out their duties with satisfaction to the men generally?—Generally speaking, the arrangement is satisfactory; but, of course, any man who is reduced, as a rule, complains.

531. There is no right of appeal?—Yes; anything with regard to the classification of the men is subject to an appeal to the Labour Commissioners, of whom there are three at present, and we take whatever evidence may be available, and decide whether the man shall be reduced or not.

532. *Mr. Millar.*] Can you tell me whether the railway hands here are classified?—They are classified under a special Act of Parliament, and not under the Public Works Act.

533. Are the postal officials classified by Act?—Yes, under an Act of their own.

534. *Hon. the Chairman.*] Under whose control are the Civil servants?—The whole of the public service, with the exception of those departments that are specially exempt by Act, is under the control of the Public Service Board, which consists of three members.

535. Are the appointments to the Civil Service made by that Board?—Yes; that is to say, that if any additional hands are required in any department application has to be made to the Minister in charge, and if the Minister approves of such appointments the matter is then referred to the Public Service Board, who, after satisfying themselves that there is money available for the payment of the office, thereupon fill it up.

536. But as to appointments to existing offices and departments—who makes those—the Minister or the Board—promotions, and so on?—The Public Service Board in every case.

537. Independently of the Minister?—Practically so. The Public Service Board is charged with the duty of inquiring into the qualifications of every officer in the departments once a year, and once in five years they have to go through the whole of the public service under their control and inquire into the qualifications of every officer, and regrade them according to their judgment, and that is now being done.

538. Could the Minister appoint or promote a Civil servant without the sanction of the Public Service Board?—According to the Public Service Act I think not, but I cannot say whether in the last resort the Minister could or would do so.

539. Can he dismiss without the consent of the Public Service Board?—Practically yes, but the matter really goes through the Board. The final stages of it are approved by the Public Service Board, but all these things are done on the recommendation of the departments immediately concerned.

Dr. HENRY NORMAN MACLAURIN examined. (No. 198.)

540. *Hon. the Chairman.*] What is your profession?—A doctor of medicine. I am also a member of the Legislative Council of New South Wales, and have been a member for twelve years.

541. Then, you have been in the Legislature during the whole history of federation?—Yes. I took a good deal of interest in it when it was being discussed, both in the Legislature and before the public, and I expressed my views pretty plainly on the subject.

542. You may probably be aware that we are a Commission appointed by the New Zealand Parliament to make inquiries in Australia as to the possibility of New Zealand entering the Commonwealth, and we should be very glad if you would mention to us any advantages which occur to you, or disadvantages, by New Zealand coming in or standing out of the Federation?—Of course I cannot, as I have been taken at a moment's notice, go into the matter in detail, but I had an interview some time ago with a gentleman from Dunedin to whom I expressed my views on this matter. It seems to me that the only advantage that you would gain in New Zealand by joining the Federation would be measured by the monetary advantage to you of getting free-trade in Australia. Politically, I think there would be very great drawbacks connected with such a federation, because there are thirteen hundred miles of ocean between us, and it is very difficult to have that close intimate connection that there ought to be between two members of what is considered the same family. The circumstances and conditions of New Zealand are different from those that prevail in this country, and I think also that from a political point of view the system of federation which has been adopted by this country is so exceedingly cumbrous, and will prove so difficult to work, that no political advantage would be gained by New Zealand joining it. The main measure of advantage would be that advantage which would arise to New Zealand from having absolute free-trade with Australia, which would simply be an extension practically of the free-trade she has now with New South Wales.

543. Supposing you were a New-Zealander, would you regard that as a sufficient inducement to you to part with your political independence as a separate colony?—Frankly, I would not; but then I am not a trader, neither am I a farmer or a producer, and one would require to weigh very carefully the prospects and interests of the farming, manufacturing, and trading classes before expressing an opinion. Of course, the great primary producers of New Zealand are, after all, what the country lives on. There is no doubt of that. Their interests must be carefully con-

sidered, and therefore I should be inclined to examine carefully what is the volume of trade between New South Wales and New Zealand, which can easily be obtained. I should consider, then, what were the probabilities of export trade when the other ports of Australia were also open to you, and, having satisfied myself by my calculations as to those points, I should then try to see whether those advantages were sufficient to recommend you to part with your political independence.

544. Of course, there is another class to be considered—the manufacturers of New Zealand: how do you think they would be affected by federation?—The principal manufactures that you send here, as far as I know, are the woollen cloths, shawls, &c., and tweeds. Under the Federation they would have open ports all over Australia, and therefore they would have a distinct advantage.

545. But New South Wales for some time past has had a free-trade policy: under the Commonwealth, do you think that policy is likely to be continued as applied to the whole of Australia?—So far as I can see, unless there is an extraordinary alteration in the Commonwealth Constitution, it is impossible that that policy should be applied to Australia as a whole, as it has been to New South Wales since 1895, because, practically speaking, the whole of our Customs taxation in New South Wales is raised on stimulants and narcotics. There is a small duty on sugar, but practically nothing at all besides that, and it can be shown that they will not raise a sufficient sum of money to meet the financial requirements of the Commonwealth on a free-trade policy like what has prevailed in New South Wales.

546. Then, would it be fair to say that, in the event of the majority of the people of New Zealand being in favour of free-trade, they would have a better chance of obtaining it independently than as a State of the Commonwealth?—I think so, undoubtedly, for you cannot by any means whatever, under the present Constitution, estimate the revenue required by the Commonwealth at much less than eight millions and a half. I think they will require more, but not less, and that cannot possibly be raised by any tariff which would be called free-trade by reasonable people.

547. Do you think the present political powers of the States will be maintained or absorbed by the Commonwealth?—I am afraid that they will be maintained. My principal objection to the scheme of federation was that too much power was left to the various States. I did not contemplate New Zealand at that time, because there is no doubt that there was then no question of New Zealand joining the Federation; but one of my principal objections to the scheme ultimately adopted was that it gave too little power to the Federal Government, and left too much power to the State Governments, and left so many burdens on them which were too much for a small population to bear, such as having seven Parliaments, seven Governors, seven Executive Councils, and seven Supreme Courts. This I look upon as a mistaken policy; but the principle adopted by the gentlemen who framed this Commonwealth was to give as little power as they could to the Federal Government, and to retain as much power as possible in the hands of the local Governments. My idea was to give all general power to the Federal Government, and only to give to the local Governments the specific powers which were reserved for them. This plan would have been more economical, and it would have left the Commonwealth free to decide for itself whether it should adopt a free-trade or a high revenue policy. Whether it will be a free-trade policy, or a high revenue policy, with a certain amount of protection in it, are questions that have still to be decided, but there is no doubt in my mind that it must be a high revenue tariff.

548. Are there any other disadvantages that occur to you under the present Federal Constitution?—There are a great number of specific objections, but I have endeavoured to lay down the general principle which underlies all my objections. They have confined the Federation to the Customhouse, to the Post Office, to the military departments, to quarantine, and to various matters connected with navigation. That is all the Federal Government interfere with just now.

549. And railways?—No, sir. There is no doubt that they propose to appoint what they call an Inter-State Commission, which shall have certain powers of regulating the rates upon the railways; but they did not federate the railways, and the result of this is that the Customs revenue which they take over is much more than is required for the use of the Federal Government, and it is therefore to be paid back to the States in certain proportions. The consequence is that there will always be a danger to the credit of each State under the Federal Government if the surplus paid back is insufficient. My suggestion was that they should carry the proposal much further, and add to it a Federal railway system of Australia, taking over all the railways, and also relieving the States by taking over the debts. This would leave a surplus of about £700,000 in the hands of the Federal Government, which would be just about enough for public instruction. The Federal Government would be left without any surplus at all, excepting such surplus which would gradually grow by reason of the increased trade and population, and for which they would require to account to the States; while the States would require then to exercise a due economy, and to bring down their expenses as much as they could. But they would not adopt that plan, which would have suited the only form of federation which was, in my opinion, reasonable.

550. You are aware that the Federal Government have the power to construct railways for military purposes?—Yes.

551. And that it is also proposed to construct a trans-continental railway?—Yes.

552. If the Federal Government do that, do you not think difficulties will arise between them and the States in reference to uniformity of gauge, running-powers, &c., and that they will become so accentuated that it will become necessary for the States to give their consent to the Federal Government acquiring the railways?—I dare say, but I hope that no Government will ever undertake that trans-continental line for many years. It would never pay.

553. *Mr. Millar.*] You seem to think that the States will always retain the powers granted under the Constitution?—I think so.

554. In that case what will there be for the Federal Parliament to legislate on in the course of a few years, when all the powers of legislation they have are exhausted?—It would be very difficult to tell, but there is an old hymn which says that “Satan finds some mischief still for idle hands to do.”

555. Do you not think that, when it comes to that point, the Federal Government will gradually encroach upon the powers of the States?—They cannot do so excepting by amending the Constitution, for which you must have a majority of the States, and a majority of the people voting, and there must also be a majority in the particular State to which the amendment applies.

556. Do you not think the people may clamour for the abolition of the States?—I hope so, but I am not very sanguine of it, because there will always be a body of men who will be affected by any reduction in the State Governments.

557. Supposing we joined the Federation, and the States were abolished, we should simply be controlled by Civil servants, should we not?—Quite so, and therefore I do not think the New-Zealanders have anything to gain, and the system you have now suits you better than even the system I am in favour of. Regarding the question of defence, your distance from Sydney and Melbourne is so great that it would be exceedingly inconvenient, if the forces were put under the one command, for you to have to refer every matter to headquarters in either of those two Australian cities.

558. Do you think that the States will find it more difficult to borrow money than the Commonwealth will?—Strictly speaking, there ought to be a reduction in the credit of the States on account of a great deal of their security having been taken over by the Federal Power. People who lend money are moved by so many different reasons that it is impossible to offer an opinion on what may occur. I do not think the Federal Government is going to borrow money more cheaply; but I would rather not offer an opinion. The security of the States would be diminished.

559. *Mr. Beauchamp.*] Do you think that the legislative independence of New Zealand would be interfered with by her joining the Commonwealth?—Only with respect to certain particular points; and I think that the Act excludes a number of Bills that have been dealt with by New Zealand. The Federal Government does not claim an exclusive right to deal with Industrial Conciliation and Arbitration unless it involves more than one State; so that the power of New Zealand to make such laws as that would not be interfered with.

560. You do not think that the Federal Government would take up that measure with a view to making it apply throughout the whole of the Commonwealth?—If there were a strike extending from one State into another then they could do it.

561. I understand you would be strongly in favour of the Central Government conferring such powers upon the States as are now enjoyed by the London County Council?—I dare say I should go further than that. I said that I thought the State control should be reduced more to the condition of the municipal powers; but when you had to deal with Queensland with its thousands of square miles on the lines of the London County Council it would scarcely answer. What I would rather suggest would be that the principle of the Canadian Constitution should be adopted, where all the power is supposed to lie with the Dominion Parliament, excepting such specific powers as have been delegated to the local Legislatures. Here all the power at present lies with the local Legislatures, excepting such powers as have been expressly delegated to the Federal Parliament. The Federal powers are very much reduced from what they ought to be, but that would be rather an advantage to New Zealand.

562. Have you given any attention to the question of a “white” Australia?—A good deal.

563. Do you think it possible to develop certain parts of northern Australia without black labour?—It is quite impossible. It is not a question of wages, because the white man cannot continue to work in the cane-fields inside the tropics. In New South Wales they grow sugar by white labour. White men can work in the cane-brakes in New South Wales, but in the neighbourhood of Cairns, with its unhealthy steamy climate, no white man can do it. As a medical man, my opinion is that the cultivation of sugar in the tropical parts of Queensland by white labour is an impossibility.

564. Do you know of any country where cultivation is carried on in the tropics otherwise than by coloured labour?—In the Mauritius, Java, West Indies, and the southern parts of the United States of America the white man cannot do it.

565. *Hon. the Chairman.*] Do you anticipate that there will be any difficulties between the Federal Government and the State Governments in carrying out the present Constitution?—I do not, but, taking the matter from an all-round point of view, I think the Federal Government will be rather an unimportant body, and of not much consequence, excepting as a tax-gatherer.

566. Do you not think it would be likely to magnify itself at the expense of the States?—I do not, because the Constitution is so clear. One of my objections to the present Constitution is that there is equal representation in the Senate. That is a great mistake. I would rather have had a proportional representation on a population basis.

567. *Hon. Mr. Bowen.*] Will not Northern Queensland have to be worked by coloured labour unless the land is to be left desolate?—The tropical part of Northern Queensland, where the white man cannot work at all, is mostly on the sea-coast, and it is only on the alluvial banks of the rivers near the coast where sugar is grown. But the white man can look after sheep and cattle even in the most tropical parts or on the sea-coast. When you come to sugar-cultivation he cannot do the work. Tobacco he can grow perfectly well in certain parts of Queensland.

568. *Hon. Captain Russell.*] In that tropical part will the white people be able to go on from generation to generation without the race breaking down?—The people who are living in Northern Queensland do very well, and I do not see why they should not go on under normal conditions.

569. *Hon. Major Steward.*] It has been represented to us, as a strong argument in favour of New Zealand joining the Federation, that the united voice of the seven colonies would have a very

much stronger influence with the Imperial Government than if the two countries remained separate. Have you any opinion on that subject?—We have had our own way as much as we possibly could expect, and the only time when we did not get our own way was when Lord Derby refused to recognise that the Germans were going to get a part of New Guinea. That is the only mistake they have made. The New Hebrides question is a difficult one to decide.

570. Some people hold the opinion that having two distinct Powers in these seas would make for greater influence with the Home Government than having simply one united Australasia?—I do not think there would be very much difference. There is not the slightest chance of conflict arising if you remain outside the Federation. The only ground of friction is with respect to Fiji, if it were intended that the Australian trade should be excluded. Fiji could not be taken into a federation of white men.

FRIDAY, 22ND MARCH, 1901.

Hon. J. M. CREED, M.L.C., examined. (No. 199.)

571. *Hon. the Chairman.*] What is your name?—John Mildred Creed.

572. Are you a member of the Legislative Council of New South Wales?—I am.

573. Have you been long interested in politics in this State?—I went into the Assembly in 1872.

574. Of course, you are well acquainted with the history of federation in Australia?—Yes.

575. You have taken part in and contributed to the literary work in connection with the matter?—Yes.

576. You are aware, Mr. Creed, that we are a Commission appointed by the New Zealand Government to consider whether New Zealand should join the Commonwealth of Australia, and we have come here to ascertain what advantages can be shown in regard to our coming into the Federation?—Yes.

577. We shall be obliged if you will give us your views generally?—Of course, what I should do would be to state what I think are the advantages, and what I think are the perils of federation as regards Australia. How it applies to New Zealand does not concern me—that is a matter for the Commission. I have always been of opinion that the union of the colonies is of essential importance to Australia, and that, the more complete that union is, the greater will be the advantage to the various colonies. But what I always feared was the perpetuation of the States Government at the same time that we have a Central Government. From my reading, and experience in other countries, I have found that in every federated country there has always been friction sooner or later between the Governments of the individual States and the Central Government which has been formed by the federation of those States. I fully realise that at the time many of those Federations were formed there was no possible choice for them to have anything but the continuance of the dual Governments. For instance, at the time of the union of the United States, want of communication facilities made it imperative. Now, owing to telegraphs, cables, electricity, and other means of communication it is possible to decide questions in twelve or twenty-four hours that under the old conditions would have taken months. But the conditions of the United States at that period and of these colonies now are not on the same footing at all. The German union was one of a number of States whose interests were all extremely diverse, and which could not prudently be rapidly consolidated. Norway and Sweden have been federated for a great many years; but I understand from friends who have special knowledge that the friction between them is so accentuated that it is merely a question as to when civil war will take place. My idea with regard to federation is that we should have one all-powerful Central Government, with the abolition of the States Governments, and the creation in their place of very large local-government districts. The interests of the different portions of a large territory like New South Wales are extremely diverse, and no Government of the State can be representative of those conflicting interests. I favour the establishment of large local districts, to whom I would give very large powers, such as entire control of the liquor laws within their own boundaries, the control of education (subject to its reaching a standard to be ascertained and fixed by the Central Government), and kindred matters. I would also leave to them local railways, irrigation, &c. In New South Wales we have no local-government system outside of the town municipalities. For years past we have had Prime Minister after Prime Minister including it in their programme; but up to the present not one of them have carried it into effect. I might mention that the leader of the unification idea is Sir George Dibbs, who, when in office in 1894, wrote to Sir James Patterson, then Premier of Victoria, and proposed that the two colonies should proceed to draw up a Constitution which would be fair and just to the whole of Australasia, and that on their union under one Government the other colonies should be admitted into the Federation thus established on the terms arranged between the two colonies. His plea was that it was utterly impossible for six colonies to agree upon a fair arrangement that would work profitably and well between them all; whilst if two drew up a fair and just scheme, then the others could come in or stay out as they chose. When they came in they should have the right to do so with no more disabilities than if they had entered the Federation as original States. Unification would mean a great saving of expense in regard to the local Parliaments, and there would be the avoidance of friction between the State and Federal Parliaments. It would greatly assist—in fact, render possible—the solving of questions that now present immense difficulties, such as finance and revenue.

578. Under your system of unification, did you propose to have State Governments at all?—No; under the present system of federation the tariff will have to be fixed according to the needs of the poorest State, and not with regard to the revenue requirements of New South Wales. I think it probable that the majority of the people of New South Wales are in favour of a low tariff

—I will not say absolutely a free-trade tariff—but a revenue tariff. But under federation it will be necessary for New South Wales to collect something like a million and a half more revenue than she requires, because Victoria, South Australia, and Tasmania cannot do with less than their present Customs duties; and to have a uniform Customs tariff, which is essential under federation, the New South Wales duties will have to be raised. That makes the question of finance a very difficult one. I do not know that the surplus will be more than we shall use, because in connection with some legislation, which I protested against when under discussion, we have already been drawing promissory notes on this anticipated future surplus. Then, there is the question of excise. Very suddenly last session a special Act had to be passed lowering our excise duties on tobacco, and I think on beers, so that we might not be flooded with the Victorian manufactures and stocks under the prospective free-trade which it was supposed would be quickly established between the colonies. We had to lower our excise duties to half. Really in this we were not governed by our own interest, but by the duties collected in a neighbouring State. The great difficulty is that we have entered into a partnership in which none of the conditions under which that partnership is to exist are really determined. I cannot call to mind one matter that is definitely settled. In private concerns this would be a great imprudence, and I cannot see that it is anything else when dealing with the affairs of a country, any more than it is in connection with the business relations of individuals. One great argument, for instance, that was formerly used in favour of federation was that under it we would have unification of the debts, and thereby secure better rates in regard to loans from our being able to offer better security. There has not been the slightest attempt to settle the unification of the debts in the new Constitution. Another point which I think of the highest importance, and which has been left entirely unsettled, is the question of the railways. There is to be an Inter-State Commission, but how it is to enforce its decisions, whatever they may be, regarding rates on the railways of the various States, I am unable to see. As far as I can tell at the present time, each of the railways of the federating States is to be carried on independently of the others. With regard to the main lines, matters may perhaps be easily settled. But what about the branch railways, which may or may not pay, yet be of essential importance to certain districts? With regard to them difficulties will surely arise. If there is to be any future federation of the railways, under what conditions are the colonies to construct branch lines which may be necessary for them to open up districts? The New South Wales argument is that our railways are our greatest asset, one paying more than interest on the money expended. But how are they to be brought into line and amalgamated with those of the other colonies, not paying interest? Will it be possible to reconcile the interests of so many various colonies concerning their railways, which have been unwisely left to be settled in the future? Another problem is that of the post-offices. We are supposed to have union there, but there are still various important questions to be faced. In New South Wales we have throughout the country districts a twopenny-postage rate, and with our wide territory cannot well charge less. Within thirteen miles of the city and certain other towns, however, we have a penny rate. Victoria and South Australia have universal twopenny rates. Is the higher rate to be lowered, or the lower rate to be raised? This is a matter which, I take it, should have been settled before federation was entered into. In New South Wales newspapers are carried free, but this is not the case in the other colonies. Is this free postage to be abolished, or extended over the Commonwealth? Another matter left unsettled by the Federal Constitution in regard to the post-offices is the savings-bank of that department. There is a sum of five millions and a half deposited in the Post-office Savings-bank of New South Wales. Within a fortnight of the termination of the untrammelled States Governments—within a fortnight of the Federal Government coming into power on the 1st January last—some time in December, at all events—the New South Wales Government had suddenly to act, not by Act of Parliament, but by some special power inherent in the Executive Council, and it nominally removed the funds from the control of the Post Office to the control of the Treasury. At the same time these savings-banks are still carried on in the offices that are now Federal post-offices. Are they dealing with money which is State money? Are they part of the Federal General Post Office system? The funds were removed on the ground that the State Government, having used this money, could not really afford to hand it over to the Federal Government. Perhaps, also, the Treasurer of New South Wales did not consider it fitting to hand the savings of our fellow-colonists to the Federal Government. Up to the time I speak of the money was in the control of the Post Office; after that it was placed in the administration of the Treasury of the State, though the work of receiving and paying is being carried on in the post-offices as before, they now belonging to the Commonwealth.

579. But by the Federal Government?—You can hardly say that of the money that is under the control of the New South Wales Parliament. It is questionable whether the money received since the 1st January is State or Federal money. I am complaining of the crude way federation was entered into, and quoting this as an example of it.

580. They will have to draw the line on the 1st January in the books?—I am only telling you what I know. It might be worth your while to call a Post Office official. It is a very important question.

581. *Hon. Mr. Bowen.*] In what position are the funds now that were removed before the 31st December?—They are invested by the Financial Treasurer as it suits his financial scheme. I think you will find that no one can tell exactly how the matter stands. Another difficulty that I see regarding the amalgamation of various departments is the promotion of the officers. Will it be considered one service, or is each colony to stick to its own officers? There would not be this difficulty with one Central Government merely.

582. *Mr. Beauchamp.*] It was in 1894 that Sir George Dibbs wrote that minute?—Yes.

583. Had the Federal movement started at all then?—Sir Henry Parkes made a speech on the subject in 1889. The question of the defence forces is essentially one demanding union. I think

the Federal Government will gain more in that direction than in any other. By having one headquarters for the whole of the military forces of the Commonwealth there will be one system of discipline. Detachments can be then sent from place to place at requisite times, thus preventing local attachments and local influences bearing upon the forces. It is not, however, yet decided whether the Volunteers are to be under the Central Government or the State. I certainly think they should be under the former. Up to the 31st December New South Wales was arranging for the creation of additional Volunteer regiments. At the present time various districts feel sore because they are not allowed pretty well their own way in such matters. What will be the state of affairs when the whole of the colonies have to be dealt with?

584. There can be no doubt about it that from the 31st January they must be under one head?—It is unsettled. If that idea is worked upon there will be a great deal of friction with regard to the Volunteer defence forces of the colony.

585. I was wrong. It was the 1st March they took over defence?—The contingents now going away are being worked by the New South Wales Government independently of the Federal Government. And similarly in Victoria.

586. You will find the Imperial Government are charged with the expenses, though?—Yes, but the expenses are a minor consideration in a matter of that kind. The discipline is of more moment. Another question very strongly affecting the Federation is that of alien labour. The southern States maintain very forcibly that there must be no black or Asiatic labour in Australia. Well, how is it possible to grow sugar in Northern Queensland without it? How is it possible to develop the Cape Yorke Peninsula without it? Tea, coffee, spices, and other articles can be profitably cultivated there with Asiatic labour, but not without it. I am perfectly at one with those who think that in a country like this any labour should be permitted to come in that does not interfere with the labour of whites; and I think alien labour should be employed in such ways as will not decrease but increase the employment for whites. For instance, doing away with alien labour will mean the collapse of the sugar industry. Not only would that throw numbers of white people out of employment on the spot, but it would lessen the labour to be performed by other industries or branches of work in other parts of Australia directly or indirectly connected with the sugar industry.

587. Can you tell us of any advantage that you think New Zealand would gain by coming into the Federation? Of course, I understand that you object to the Constitution as it at present stands?—I prefer unification, and if I had the choice at the present moment I would not have New South Wales one of the States in the Federation under the existing conditions.

588. There is the Constitution as it stands. Now, if you were a New-Zealander, knowing what you do about the Constitution, are there any advantages that present themselves to your mind that New Zealand would gain by coming in?—It is hardly fair to ask me as an Australian to advise New Zealand in that particular way. I might say this: that, the States having entered into the Federation, I feel it my duty to do everything I possibly can to make it a success. With regard to New Zealand, I have never been there, and do not feel competent to speak as to her conditions. I take it, though, that her object would be to get her produce introduced into Australia free of Customs duties.

589. To put it shortly, she would get the advantages of intercolonial free-trade?—Yes. I cannot see how her defence forces can be amalgamated with those of the continent to her advantage. I cannot see any manifest advantages to New Zealand joining, beyond the fact that she would then enjoy free-trade with the States.

590. *Hon. Mr. Bowen.*] And Australian products would be introduced into New Zealand under similar conditions?—Yes. But you have sufficient wool to supply all your manufactures there, and all sorts of dairy produce can be produced there equal to or better than the Australian products, so I do not see much gain in this way to our producers.

591. What I mean is that manufactured articles would come down to New Zealand from Australia?—We do not manufacture as many woollen goods as you do.

592. It has been alleged here that certain lines are manufactured cheaper here because they mix cotton with the woollens?—I cannot speak as to that; it will be a question of demand on the part of New Zealand.

593. I am saying that on both sides the goods would be allowed in free?—I suppose New Zealand manufacturers will put cotton in the stuff if there is the demand. They would quickly be taught the secrets of adulteration in this way.

594. *Mr. Roberts.*] You mentioned that there are no local-government provisions in New South Wales outside the town municipalities?—There are no Road Boards, Shire Councils, or anything of the kind. The people simply bleed the State Government through the member for the district as they can. The non-existence of local government is destructive of the purity of parliamentary life, because oftentimes the worst member is surest of election, or re-election, simply because he is successful in bleeding the Government for local requirements, as he makes his vote on great questions depend on the compliance of the Government in office with his demands for expenditure in his constituency. The better man will not do this, and consequently his reputation as a good local member suffers. I would like to see the money distributed by the Central Government *pro rata* according to population. I would give the local districts the power to raise their own revenue amongst themselves. I think I would give them the revenue from land and also from its taxation. The older land districts, with lessened revenue, would have small wants; the newer, having more need of income, would have larger resources from them.

595. You think the borrowing by the Federal Government would not in any way handicap the borrowing of the States?—We shall only know that when we know what the Stock Exchange at Home thinks of it. I think there is an Act recently passed in England that permits trust funds in England to be invested in colonial securities under certain conditions. If this applies to the States,

which I rather question, then that would render our securities as good in the market as the others; if not, it would drop them to about the level of municipalities, and they would require the guarantee of the Federal Government to secure money at low rates.

596. One witness here stated that he thought the States would be very much in the same position as municipalities?—It all depends upon whether the Imperial Government permit the investing of trust funds in the State securities.

597. Then, would it not be looked upon somewhat in the light of a second mortgage, the Federal Government having the first power?—If the position came about, I suppose the whole federated country would have the first lien, and the State the second—certainly over future debts, whatever it may have been with regard to past ones.

598. If it is your opinion, as a legislator, that federation was brought about in a most crude way, what must be the opinion of the person in the street?—They went into it baldheaded.

599. You think it was simply a wave of sentiment?—Absolutely.

600. They have not considered the *pros* and *cons* of it?—I think the people who voted against it did. I do not know of one person who was not in favour of Australia being formed into one country, but the fault lies with the Constitution as adopted.

601. *Mr. Millar.*] From your intimate knowledge of this question, do you anticipate that the Federal Government will get increased powers later on?—I cannot anticipate that. This is supposed to be an irrevocable and indissoluble union of the colonies. How can it be that if the Constitution is to be altered?

602. You expect the States to retain the existing powers granted to them under the Act?—I would rather not see it. I would vote for the abolition of the State Governments to-morrow.

603. Can you tell me what the opinions of the leading men here are on this point? Do they anticipate it?—My own opinion is, No. The people are too selfish and too shortsighted to do it. My opinion is that it should have been an integral portion of the Federal Constitution Act, abolishing the States Parliaments either wholly or, failing that, in proportion. I would reduce them to-morrow to half.

604. What is going to be the ultimate position of the Federal Government if they have no further powers to legislate than those granted by the Act?—The whole thing is so defective that we shall have to sit down and puzzle it out.

605. As it stands at present it would simply mean that there would be one huge administrative body without administrative power?—Let the lawyers settle that. I have not considered it particularly.

606. We want to see practically what the powers are likely to be before we come in?—Call Mr. Barton and let him try to explain it.

607. Do you anticipate any great gain to the colonies by one huge consolidation as regards loans?—I do not know that there will. Some of the States will be worse off than before, because they will be tied to the weaker States. Are the richer States to afford the weaker States charitable assistance, or are the weaker States to go bankrupt? As to Australia as a whole, I think there will be a gain.

608. I think you will find that the larger States will have to carry the poor States on their backs?—That is what I object to. Sometimes one part of Australia will be more prosperous than another. The mass would be satisfied if united, but when kept separate there will be grumbling if one has to assist another.

609. *Mr. Beauchamp.*] What, in your opinion, hastened the consummation of the federation of the colonies? Was it the desire of any particular colony to obtain superior trade advantages?—I think the scheme would not have matured so rapidly but for Victoria's interest in the union.

610. You said this Federation was irrevocable: could not the Constitution be altered by referendum?—I proposed to insert in the Address a paragraph asking that Her Majesty would direct her Advisers to introduce a clause into the Bill to the effect that on any State showing that it was unduly oppressed the Imperial Ministers would consider the propriety of passing another Act to free it from the Federation. I was ruled out of order, because the contract is to be indissoluble.

611. Presuming that certain matters can be altered by referendum, do you think it possible that within a reasonable time the States will go for unification, or one Central Government only, in place of the existing arrangement?—They may or may not be taught by experience.

612. You apprehend very serious and grave difficulties?—Yes, in the federation of the States as it is now. I do not see how the very great questions are to be settled to their mutual satisfaction. The *Melbourne Punch* of last week says, "It is our duty to practically scheme all we know to keep the Federal capital in Melbourne as long as possible." That shows the spirit animating that colony.

613. The great hope was that federation would break down the provincial spirit?—Yes.

614. *Hon. Mr. Bowen.*] Do you believe the capital will be built soon?—I think it should previously have been settled. It is not a question for the moment, but for five hundred years hence, as to the site of that capital. It gives an undue advantage to a colony if the existing capital of that State is chosen as the Federal capital. Those colonies away from the seat of government will in any case lose the services of their best men. The capital should be on a new site altogether, and can be built practically free of cost under a proper financial scheme. Personally, I prefer Bombala as the most suitable position for it. Many people are fighting to have it here. Many districts are endeavouring to get it in their midst, under the idea that their land will be considerably enhanced in value; but every acre, I suppose, is to be resumed, and it certainly should be on the site being selected.

615. The Government would lease it out?—I would always renew the leases somewhat on the single-tax ideas. You can do that in a new country. Such a system of lease would pay the interest on as many millions as we wanted, and provide a sinking fund in addition.

616. The question of distance is already having an important bearing on the class of men you are likely to return?—Yes; if you put the capital as I suggest you practically put every State on the same basis.

617. We in New Zealand, with the capital sixteen hundred miles away, would be in the worst position?—New Zealand and Western Australia would be in the worst positions of the colonies. The question of distance is a most important one. You have good men who have to attend to the local State duties and also to their businesses, and they could not do this if they had to come to Australia.

618. Under the present system of party government would not the same conditions apply as those to which you refer, in that the most active man, although not the most scrupulous, would get the most money for his own district?—I do not think the Federal Government will provide anything for local wants. They will hand over a certain surplus to the States.

619. They have, under the Constitution, the power to take over certain things with the consent of the States?—That hardly applies, I think.

620. *Mr. Luke.*] I understand that you have no system of local government at all in New South Wales outside the town municipalities—roads and bridges are entirely dependent on the man who can bring the most influence to bear at the most critical moment?—Yes; and it has continued undealt with by Ministries, because the Assembly can be ruled better under those conditions than without them.

621. *Mr. Reid.*] If there was a strong demand by the public for a Local Government Bill it would have to be carried?—People do not take examples for good; they say, "It will tax us," and that is quite enough to cure them.

622. *Mr. Luke.*] Goulburn, Bathurst, and other large places are already covered by the existing Act?—Yes; but size is not of moment. As far as I can gather, the district councils in Queensland are very much larger. They have immense distances there—larger than we would have in any part of New South Wales.

623. At any rate, there is no reason why a Local Government Bill should not be carried through by the State Parliament in the future?—It is a mere question of the man in power introducing a Bill. It must be a Government measure. It is a matter of printers' ink to carry it. Educate the people to its advantages and the Bill would pass.

624. With regard to the question of the Federal Government taking over certain services not now provided for to be dealt with by them, such as the public services, there is no reason why the first session should not provide for the change?—I do not think the men of the Ministry will do it.

625. There is no lack of power to do it if they thought fit?—I do not think the Federal Government will be strong enough to establish a Civil Service for the whole Federation. Local jealousies will be the cause of trouble. Shifting a man from one colony to another may be for the good of the country, but the people themselves will not like it.

626. A certain amount of friction is almost sure to result in introducing a matter of this kind. When we introduced representation districts in New Zealand there was the same trouble?—There is a vast difference in having one man to fight, and a Parliament. The man may be treated unjustly, but he has to grin and bear it.

627. Is there any power in your Constitution Act that will enable you to reduce the legislators in the House?—Undoubtedly; there is an agitation going on now in that direction.

628. We have not that power in New Zealand. Can you reduce the legislative bodies to one Chamber?—There is nothing forbidding it in the Constitution Act, which we have the right to amend. It provides for two Houses, but we can take away any part of the Constitution under it.

629. Have you any idea whether the Federal High Court will sit at the Federal capital when chosen?—They should do so. I cannot say whether they will or not.

630. What is the idea amongst people here concerning that point?—They have no idea about it at all.

631. It would have to sit somewhere. They might hold sittings of appeal in Melbourne, or Sydney, or Brisbane?—That is a matter of minor detail. In America the Supreme Court of the United States never sits outside of Washington.

632. It is a matter of great importance to us. We do not want to chase the Court all over the country?—I take it there is nothing to prevent it.

633. *Mr. Leys.*] You seem to anticipate very serious trouble between the State and Federal Parliaments under this Bill?—I do. We are too much united to fight as yet, but we will do everything but that.

634. If that is the case in Australia, would it not be a much more serious matter for New Zealand? Would not the discontent and friction be much greater in relation to the State so far as we are concerned?—I can only say that the distance that New Zealand is away from Australia would handicap her in many ways.

635. You said that if the federation of the colonies had to take place again you would oppose it again, and would object to New South Wales entering it, under the present Bill?—Yes.

636. Is it not a fair inference, then, that you would much more strongly oppose federation if you were a New-Zealander?—I think I would. What applies to one applies to the other.

637. You do not see sufficient material interest for New Zealand to come in under the existing Constitution?—No, I do not.

638. *Hon. Major Steuard.*] You expressed the opinion that it was quite impossible to carry on certain industries in Northern Queensland without the aid of alien labour?—Yes, successfully.

639. You are aware that Mr. Barton has declared for a "white" Australia, and has stated positively that there will be a cessation of kanaka labour within a number of years?—Yes.

640. Do you think it at all possible for that to be carried out?—It is if three parts of Australia are willing to sacrifice the other part of the country, and the combined interests depending on the prosperity of that other part.

641. Exactly. If it were carried out the industries of Queensland would be seriously interfered with?—Yes. Not only Queensland, but the Northern Territory.

642. It would be very much against the interests of the world at large, inasmuch as a large portion of territory would be thrown out of cultivation?—Yes.

643. You are aware there is a large amount of friction in connection with that matter?—Yes.

644. Is it likely to be serious?—I think so.

645. You are aware also that under the Commonwealth Act the laws of the Commonwealth are to prevail over the laws of any individual State when they come into collision?—Yes.

646. You mentioned that the matter of the post-offices was in a very unsettled position under the Bill: you are aware that we in New Zealand have adopted penny-postage?—Yes.

647. Supposing we joined the Federation, what is your opinion as to what is likely to happen in regard to this question of postage?—You would have to hand over the offices to the Federal Government, and they would fix the rates.

648. The same applies to old-age pensions: supposing an Old-age Pension Act was passed by the Commonwealth, we would have to submit to that also?—Supposing power has been granted to the Commonwealth Parliament to override your Act and pass another one.

649. Would not great friction arise from the fact that Acts were passed superseding local legislation in those directions?—Yes; there are any amount of points of difficulty which we will know nothing of until they arise.

650. The fact is that, so far as this present Commonwealth Bill is concerned, there are a large number of matters left entirely unsettled?—Speaking generally, I do not know of one single point that is definitely settled.

651. You think it is impossible for any public man to say what will be the outcome?—Yes.

652. *Hon. the Chairman.*] You spoke of the Constitution being indissoluble: is that mentioned anywhere in the Constitution Act except in the preamble?—I do not think it is. It is important to consider that, for in private Bills it has to be proved by Select Committee, at any rate.

653. This Constitution is contained in an Act passed by the Imperial Parliament. There would be nothing to prevent the Imperial Parliament repealing it and granting another?—I take it that the Home Government has power to pass any other Act. Whether they have the power to enforce it is a question that the colonies would have to decide.

654. Assuming that the Commonwealth Parliament found it inconvenient or impossible to give effect to their wishes under the powers granted to them by section 128 of the Act, and they were unanimous that the Constitution should be altered, do you think there would be any difficulty raised by the Imperial Government to altering the Bill as was considered necessary here?—No; the Imperial Parliament could do it. But the need of the alterations would have to be shown very manifestly. A large proportion of the Commonwealth might have to suffer for years under gross injustice before it would be altered by an Imperial Act.

655. May I say that you regard this present Constitution, as it exists, as a legislative mistake?—Yes; as it exists, I think it is.

GEORGE RUTTER examined. (No. 200.)

656. *Hon. the Chairman.*] What is your name?—George Rutter.

657. What are you?—A stonemason by trade. I am secretary of the Trades Hall in Sydney.

658. *Mr. Millar.*] What I would like to get, if possible, from you, Mr. Rutter, is a tabulated statement of the rate of wages paid in the different trades here?—I could not give it offhand, but I can supply it. (See Appendix.)

659. I would also like to know the number of hours worked in each trade, the daily wage, and whether it represents eight or eight and a half hours a day or fifty-four hours a week, whichever would suit you best?—Yes, I can supply that.

660. I would also like to know the number of Chinese engaged in cabinetmaking or any other industrial work of that kind in Sydney?—That information would have to be approximate, as I could not give the exact numbers. I could not give their rates of pay.

661. Do you think the secretary of the trades-union would have any idea?—I think he could supply what you require.

662. Could you give me any idea of the quantity of boy-labour as against adult-labour in the separate trades?—Not in all trades; but I will try. I will provide the information as far as I possibly can.

663. You understand that my reason for getting this is that New Zealand is considering the question of federation, and, as it has an important bearing upon the future of the workers of New Zealand, they are anxious to know the exact conditions under which they would have to compete. Can you send the returns?—Yes.

664. Any time before the 16th of April will suit us?—I can get it for you before that.

665. In regard to legislation, what Acts have you here which affect the workers of this colony, particularly in regard to trade disputes and compensation for injuries? Have you anything beyond the Employers' Liability Act?—No, not at present.

666. That is pretty well an old Act?—Yes.

667. That is not of much value so far as getting compensation is concerned?—No.

668. You have a Truck Act, have you not?—I believe that has been passed.

669. Have you a Wages Lien Act?—No.

670. There is no possible means of ascertaining what the rates of wages are outside the Sydney district, is there? The Factory Act only applies to the metropolitan district and suburbs?—The Factory Act would not give it. It would be possible to get those particulars in regard to a centre like Broken Hill, or from Newcastle, in connection with the miners, &c.

671. They would not practically come into competition with New Zealand: it is more in regard to the trades where the products are interchangeable that I require the information?—That would be confined to the metropolitan area.

672. *Mr. Leys.*] Is there a large proportion of skilled labour connected with unions here?—You might say, almost the whole of it.

673. What number is connected with the Trades Hall?—I could not give you the figures right away.

674. Approximately?—I could not give them approximately. There are about forty societies; I have not reckoned up how many members there are.

675. Upon the whole, is labour well organized in Sydney?—Some trades are and other trades are not. On the whole, it is not organized as well as it might be.

676. Have you any means of enforcing the preferential employment of union men against non-union men in most of the trades?—No, none.

677. Has it been attempted?—I do not think so.

678. The unions are not strong enough to enforce it?—They have done it in individual cases, but generally they are not.

679. Are the unions strong enough to limit boy-labour?—Generally speaking I should say No, but in some cases Yes.

680. Would the majority of the unions be able to limit boy-labour?—I think so.

681. Would it be possible either to give preference to union labour or to limit boy-labour without legislation?—No, not in all unions.

682. Do you think it impossible to do it without legislation?—I do.

683. There is no legislation now that will assist you in that direction?—No, not material assistance.

684. Have the unions made any effort to get a Conciliation and Arbitration Act, somewhat similar to the New Zealand law, passed?—Yes.

685. For how long have they made such efforts?—It is about ten years since they started it. They only got it through the Lower House last session, and then the Legislative Council threw it out.

686. Is the Act that was introduced last session a measure that was satisfactory to the unions?—They would have been quite willing to accept it. It was not exactly as they wished, but they would have accepted it for want of a better.

687. If the unions are so well organized, how is it that they have not succeeded in getting such an Act passed?—That is hard to say. A member of Parliament would explain that better than I can. The fact remains that it has always been shelved.

688. How many labour members are there in the New South Wales Parliament?—There are sixteen.

689. *Hon. Major Steward.*] Out of how many members?—A hundred and twenty-five.

690. *Mr. Leys.*] Do the other members come mainly from Sydney, or from the country?—The country sends a very fair proportion—in fact, they send the majority.

691. Is there a very large floating population of workers unemployed in Sydney at the present time?—There is a fair proportion of unemployed. It is not as large just now as it has been, owing to the Government having started a number of large works. Are you referring to skilled or unskilled labour?

692. *Mr. Beauchamp.*] Is the skilled labour fairly well employed?—Yes.

693. And the unskilled?—Is not.

694. Is it a chronic condition here to have a large number of unemployed?—It has been the condition ever since I arrived in the country, seventeen years ago. We always have the unemployed with us.

695. Do those unemployed tend in any way to keep down wages?—While we have unemployed I do not see how we can do anything to raise the wages. As long as there is unemployed, I should say there would be that tendency to lower the rates of pay.

696. Is there any sweating in Sydney?—Yes; unfortunately, there is.

697. In what branches of industry does that apply?—I think the clothing branches are the greatest sufferers.

698. Does the Factory Act do anything to improve those conditions here?—There is no Factory Act here as you have it in New Zealand.

699. Is there not a system of inspection?—The inspection assists it, but sweating is not done away with.

700. Is the inspection enforced very rigidly?—I could not answer that, not being closely connected with those particular trades.

701. How does the Early Closing Act work here, from your observation?—The people are beginning to get used to it, and I find that it is working very satisfactorily now. There are a few discontented with it.

702. Are the shopkeepers opposed to it?—They are becoming reconciled to it now.

703. Are there many inspectors to carry through the work?—I have no idea.

704. How can they enforce it in a big city like this?—The police and the inspectors do it.

705. Do they enforce it pretty rigidly, or is there a good deal of quiet evading of the Act tolerated?—I think it is fairly well carried out.

706. Throughout the suburbs?—I could not answer for the suburbs.

707. On the whole, do the working-population support it or object to it?—They support it.

708. *Hon. the Chairman.*] Are you acquainted with the labour laws of New Zealand?—No, I am not.

709. *Mr. Beauchamp.*] Has there been any determined and concerted action on the part of labour to improve the condition of the masses in New South Wales?—No further than trying to have this Conciliation and Arbitration Act, and several other Acts, passed through Parliament.

710. From your knowledge of what is going on in New Zealand, do you think the same interest is shown here by the labour classes as in New Zealand?—Speaking generally, No.

711. Do you not think that the number of unemployed here is very much due to the congenial climate?—Yes.

712. The climate does not compel them to work here so keenly as in colder countries?—That is my private opinion. There are a large number of unemployed here who would be unemployed under any condition, for they simply do not want work. But there is no doubt that there is also a large number of genuine unemployed.

713. That is possibly due to the fact that in all countries people flock to the large towns?—I believe that has a good deal to do with it.

714. In the case of Sydney it is accentuated by the fact that men can practically live out in the parks, and so on, during a considerable part of the year?—No doubt that has a lot to do with it.

715. *Mr. Luke.*] In giving us those returns, can you give us the wages paid in the different departments, such as engineering, ironmoulding, and so on?—Yes.

716. Is there uniformity of hours in the different factories—trades like engineering, wood-turning, &c.?—Yes; they all work forty-eight hours per week.

717. Does the Act compel that, or is it by common consent?—That is the union rule which is enforced.

718. If the Government cannot enforce that Act, do the employers fall in with it agreeably?—Oh, yes. The employers recognise the forty-eight hours a week, and there are very few attempts to break through it. The unions deal with any attempt to do so.

719. Will you state in the return whether they are paid time and a half or time and a quarter overtime?—Yes, I can state that.

720. *Hon. Mr. Bowen.*] Do you think a workman here can perform the same amount of labour during eight hours as he could if he were in a cooler climate?—There are some days in the summer-time that are most fatiguing.

721. Have you worked in a colder climate?—Yes, I have worked in New Zealand, and I have worked harder here than in New Zealand.

722. So that they really do more work here, irrespective of climate?—There is more vigour in a cold climate. They take it out of you more here.

723. *Mr. Leys.*] There is more rigid supervision here in connection with the work?—You have to do it on account of the supervision.

724. *Hon. Mr. Bowen.*] How about the cost of living: have you ever looked into that particular matter?—No. I think it is about the same.

725. We had a witness here who gave us figures and particulars which went to show that articles purchased for £1 4s. 11d. in New Zealand could not be bought here for £1 9s. 10d.: is it your experience that there is so much difference?—I can scarcely answer that without going into figures.

726. *Mr. Luke.*] What are the rent-charges here? What does a house of six rooms suitable for a mechanic cost here for rent?—They are generally four-roomed houses for mechanics, and they would cost in rent from 10s. to 14s.

727. What is the cost for a six-roomed house in a fairly respectable district?—From 15s. to 18s.

728. *Hon. Mr. Bowen.*] That would be some distance from town?—Close to town.

729. Is the rent higher here than in New Zealand?—I never paid rent in New Zealand.

729A. *Mr. Beauchamp.*] Are the necessaries of life cheaper here?—Yes, considerably cheaper.

ROBERT LITTLE examined. (No. 201.)

730. *Hon. the Chairman.*] What is your name?—Robert Little.

731. What are you?—A grain merchant, residing in Sydney.

732. How long have you been a resident of Australia?—About forty-five years.

733. Do you know New Zealand?—I have visited there frequently.

734. You understand that we are a Commission appointed to inquire into the wisdom or otherwise of New Zealand entering the Australian Commonwealth?—Yes.

735. Your evidence will probably be entirely in reference to the agricultural view of the matter?—Entirely.

736. We have had a good deal of that from New Zealand. We would like to hear your opinion from the point of view as to the advantages of New Zealand entering the Commonwealth?—It appears to me as an outsider that New South Wales is the principal importer amongst the colonies of New Zealand produce. The exports from New Zealand to the Australian Colonies are about a million and a half to a million and three-quarters—including specie—the greater portion of which is agricultural produce. The portion that is exported to Victoria is, I should say, from my knowledge of the position, probably sent there for re-exportation. It seems to me that as we have federated, and New Zealand does not enter the federation, her products will be shut out by the protective tariff which we feel must come, and it is a question for her as to whether she can obtain other markets equally favourable for the amount of her products which she now exports to these colonies.

737. Of course, that is the question. What do you think of her obtaining other markets elsewhere?—I do not see how it is possible for her to have as remunerative a market for her produce as the Australian Colonies. You may say that we will be forced to take your products, but I do not think we will. The production per acre in New Zealand is greater than in this colony. You could produce, and your people could live on growing oats at 1s. 3d. a bushel, but we would starve on it here. The same thing applies to other products. With a tariff here that will,

of course, shut you out from competing in this market against the locally produced article, it will enable our farmers to produce at a price that will insure them a living.

738. You are aware that it is a comparatively small portion of our exports that come to Australia at present—that the bulk of our exports go to England?—That may be the case. I am only speaking of the imports into these colonies from your colony. I do not know what proportion that is of the whole of the exports of the colony.

Mr. Millar: The proportion is 13·95 per cent.—you might say, 14 per cent.—of the whole.

739. *Hon. the Chairman*.] Do you think that Victoria will be able to supply the agricultural needs of New South Wales?—She will assist. I think the colony which will derive the greatest benefit from federation, from an agricultural point of view, is Tasmania.

740. Would Tasmania and Victoria together be able to compete with New Zealand in supplying New South Wales?—I think so, entirely. For instance, at present Victoria consumes little or nothing of New Zealand products—her importations there are for reshipping purposes, for export purposes.

741. What about Tasmania supplying her?—I think the area of Tasmania under cultivation will increase considerably, and that their products will command a very much higher value than they do at present.

742. Do I understand you to say that, with intercolonial free-trade, Victoria and Tasmania could successfully compete with New Zealand in supplying this colony?—That is my belief.

743. If that is so, what is the advantage to New Zealand in coming into the Commonwealth?—The advantage would be this: If you come in, then, instead of having only New South Wales as a State consuming your products, you would have the whole of the States consuming them.

744. *Hon. Major Steward*.] Consuming products such as we supply?—Yes.

744A. Do you think Victoria and Tasmania can supply that class of products on equal or better terms?—Yes; assuming that we have a protective tariff.

745. *Mr. Luke*.] Do I understand you to say that if we come into the federation we could supply New South Wales with our products, as against Tasmania and Victoria?—Undoubtedly. You would be on more equal terms then, because the freight from New Zealand to here is somewhat similar to the freight from Victoria to here, and you can produce a very much larger amount of produce per acre than we can on this side.

746. More than Tasmania?—Considerably more, and, I should say, of better value.

747. *Hon. the Chairman*.] Are New Zealand potatoes imported largely into New South Wales?—Very largely.

748. Do you know if they are imported into the other colonies?—Yes. I think Western Australia occasionally buys from New Zealand; but that market has to be forced—I mean that you have to cut prices from New Zealand in order to get in against the Tasmanian produce.

749. Have you considered the exports from New Zealand to Australia?—I have no figures in regard to them.

750. Beyond free-trade, would there be any other advantage to New Zealand by coming in?—I have not thought of any other.

751. *Mr. Roberts*.] If you think that New Zealand could and would supply all the colonies, do you consider that the cost of producing here is pretty well on a level with the cost of producing in New Zealand?—No, the cost of production here is much greater.

752. Can you give us any information?—For instance, you can produce over 25 bushels of wheat per acre on an average. It is as much as we can do in an ordinary good season to produce 10 or 11 bushels.

753. But then, on the other hand, we have in New Zealand to cut, stook, and then thresh most of our grain?—Over which you have 14 bushels to the good.

754. Do you think the balance makes it good?—I do.

755. Have you any idea of what the cost of taking the grain from the land to the bags is here?—No, I cannot give you accurate information about that. There is another matter which I might mention, and that is that we draw a lot of oats from New Zealand—that product is a very big item with us.

756. As a matter of fact, Victoria has a big lot on hand now?—They do not come into this market to any extent in regard to oats. We are now importing a great quantity of oats. We have ourselves sold over 15,000 sacks of New Zealand oats during the past fortnight.

757. What proportion of that was for local consumption, and what for export?—I should say, fully 75 per cent. was for local consumption.

758. *Mr. Millar*.] Seeing that you anticipate that we would have such a good market in the future, can you explain how our market in New South Wales is not now much better than it is? A large number of items in these lists will not be affected by federation?—You mean, for agricultural products?

760. The figures show the whole of the exports to the Commonwealth amount to about £250,000?—It is £436,000 here.

761. That is agricultural produce alone?—Yes.

762. Does it not include pastoral?—No.

763. That is for the whole of the Commonwealth?—Yes.

764. Do you not think that if New South Wales was going to be such a good market in the future we should have developed more trade in the past, seeing that you had absolute free-trade here?—I think, if you take the figures of the importations into New South Wales in comparison with the Victorian imports, it would give you an indication of the increased imports into Victoria which would occur under free-trade if you came into the Commonwealth. Also, your exports to the other colonies would proportionately increase.

765. Do you anticipate that we would find a market in Victoria for oats?—Unquestionably, because you can grow them to better advantage than they can in Victoria.

766. What is the present price of oats in New Zealand and Victoria?—The present price of similar quality oats is: Victoria, 2s. 2d. per bushel; New Zealand, 1s. 6½d., f.o.b., Lyttelton.

767. Then, there are freight and charges to be added on to them?—Yes, about 3d. a bushel. The Algerian oats are ruling at from 1s. 7d. to 1s. 10d. at present in Melbourne.

768. Still, you think, in the face of that, and the fact that they are growing a surplus of oats now, that there will be a considerable market for oats from New Zealand?—I think so.

769. Is there any other item of our produce that you think would find a market in Victoria? Butter, for instance, would not be likely to do so, would it?—It would always here in New South Wales; in Victoria, only during certain seasons. The market always rises during the winter months, and that is the time for New Zealand exportations to the other colonies.

770. That would take place under any circumstances, would it not?—With a duty of 2d. a pound.

771. Would it stand that duty?—No.

772. Do you anticipate that there would be such a duty put on it?—It is difficult to say. That was the duty here when duty was imposed on that product, and it is the Victorian duty at the present time.

773. *Mr. Beauchamp.*] Speaking generally, Victoria and Tasmania can grow the same kind of products that we grow in New Zealand?—Yes; but in oats and a few other lines you grow much better quality.

774. Is it possible in either Victoria or Tasmania to produce such heavy oats as we do?—Generally speaking, it is.

775. Duty or no duty, a certain amount of oats would be used here—that kind of oats?—No. If you take Victoria as an example, they do not use any of your oats. They have machinery now by which they can treat Algerian oats, which grow prolifically here.

776. They are not only used for horse-feed?—No.

777. You apprehend, in the event of our not federating, that we would lose our market for oats?—Yes.

778. That, after all, is the principal item, is it not: according to the return it shows that?—Yes, £180,000. Maize is also shown here as a very large item from New Zealand.

779. But, generally speaking, you can grow maize just as cheaply and of as good a quality as we can grow in the north part of New Zealand?—Yes.

780. It is essentially a product of a warm climate?—Yes; we consider our maize better. But your farmers find a profitable outlet here for their maize, otherwise they would not send it.

781. Can Tasmania very largely increase her agricultural area?—She can double it.

782. I suppose the reason that she has not doubled it in the past is because of no market?—Yes.

783. *Hon. the Chairman.*] Is the land good in Tasmania?—Excellent.

784. *Mr. Luke.*] I gather that your consideration of this question has been entirely from a trade point of view, not the political aspect?—Entirely. I have given you my ideas from a trade point of view.

785. *Hon. Major Steward.*] You state that 75 per cent. of the oats imported into New South Wales was for local consumption?—Yes, that is what I would consider.

786. Now, what is the quality of the oats grown in Tasmania compared with those grown in New Zealand?—Inferior at present.

787. The rate of production in Tasmania is lower than in New Zealand?—Yes.

788. Do you know whether, under favourable circumstances, Tasmania could largely extend her oat-production?—I should say that she could double it with ease.

789. Is there any difference in freight as between Tasmania and New South Wales or New Zealand and New South Wales? What is the position?—The freights are about the same.

790. So that, if we were in exactly the same position under free-trade, you think the advantage would be with us?—Undoubtedly, so far as agricultural products are concerned.

791. We have had evidence here that the Tasmanian potatoes are better than ours?—We prefer them, as a rule.

792. Is there not an almost illimitable area of land in Tasmania suitable for growing potatoes?—The area could be considerably increased. The increase would be slow, as the suitable land is now covered with heavy timber.

793. Would it be sufficiently large to overtake all probable demands from New South Wales for some time to come, under normal conditions?—One thing that would militate against that is the fact that production there seems to be on the decline.

794. Do you mean that the amount of the yield per acre is falling off, or that there is a smaller area under cultivation?—The production per acre is falling off.

795. Even allowing for that, there is a large area of land which could be used for growing potatoes that is not so used now?—Yes.

796. Do you think there is a likelihood of Tasmania being able to supply all your requirements?—With a favourable season there is a possibility of her doing so. The heavier yields of New Zealand put you in a better position.

797. Would that more than counterbalance the quality of the Tasmanian potatoes?—Yes.

798. Under ordinary circumstances, we still have an advantage of that kind?—I consider so.

799. Supposing you were a New-Zealander, judging the matter directly from a commercial point of view, you would recommend federation because of the advantage we would get from the open market?—Yes.

800. Is it not a fact that we could always sell in London, at a price, any quantity of oats that we chose to export?—Undoubtedly, at a price.

801. That applies also to cheese and butter, does it not?—Yes.

802. It might not, perhaps, apply to bacon or hams?—No.

803. Nor to potatoes?—No.

804. With those exceptions, most of the agricultural products could be sold in London at the ruling price?—Yes; but, I think, at a considerable sacrifice on the average values.

805. What would be the largest possible difference on an average between the net prices that an exporter in New Zealand would get for his produce in London and New South Wales?—I could not possibly say now.

806. Would it range beyond 25 per cent.?—Taking it for an average of years, I think it would.

807. Would it range beyond 33 per cent.?—I could not say.

808. Probably not, I should think?—I do not know. Take the last ten years: New Zealand has had an exceptional advantage owing to the droughts here.

809. I am taking the normal conditions?—Unfortunately, they have been the normal conditions here.

810. Supposing we found that we export to New South Wales, say, £600,000, which is all that is affected (because in regard to the exports to the other colonies we will still be on the present, or a no better, footing), if we remained out of the Federation, and the New South Wales market was lost to us and we had to sell in London, that would mean a loss of thousands?—As far as New South Wales is concerned.

811. If we had to contribute to a deficiency as the consequence of our becoming a part of the Federation—say, £500,000—you would not think that a remarkable bargain, would you?—If you came in you could supply the other colonies. Victoria, one of the biggest consumers, is not supplied by you now.

812. At present there are duties imposed by all the States at present in the Commonwealth, with the exception of New South Wales, as against us and the rest of the world. Now, it does not appear, so far as we can see, that those duties will be higher than obtains in Victoria now?—No, I do not think so.

813. If they be not higher we shall be in equally as good a position with Victoria and the other States, excepting New South Wales, as we were before?—No, you would not.

814. Why not?—Because it would pay South Australia and Western Australia, who import from you now, to import from Victoria or New South Wales, because there would be no duty on the products coming from these colonies. The same would apply as regards Queensland.

815. Supposing we were not to come in, it would further injure us in the sense that these other States would come into competition under more favourable circumstances?—Unquestionably.

816. *Hon. the Chairman.*] You said that you thought Tasmania could double her production of oats?—Yes.

817. Do you think that would be the same in Victoria?—They could increase production there by increased acreage.

818. If that is so, do you not think they would be able to, even under free-trade, compete with New Zealand?—Yes; but they do not grow the description of oats that is preferred here, such as you grow in New Zealand. They cannot grow them remuneratively.

MONDAY, 25TH MARCH, 1901.

EDWARD DOWLING, Hon. Secretary of the Australasian Federation League of New South Wales, examined. (No. 202.)

Mr. Dowling said that his society was affiliated with similar bodies in all the colonies, including New Zealand.

819. *Hon. the Chairman.*] Can you give us any light upon the question as to whether it would be advisable for New Zealand to join the Australian Colonies?—Our own aims are to bring in all the colonies of the group.

820. Well, what about New Zealand joining?—Our league has always considered it very undesirable that there should be two British Powers in the Pacific. In fact, we are carrying out the policy of the late Sir George Grey—that Australasia should have a kind of protectorate over all the islands on this side of the equator, leaving the United States to look after those adjacent to America.

821. Why do you think it a bad thing to have two British Powers in the Pacific?—We wish, if possible, to prevent, as suggested by Sir George Grey fifty years ago, the increase of undesirable neighbours, like those in New Caledonia, in proximity to this continent. Union is strength, and in that regard all the colonies have hitherto not pulled together respecting colonisation of the islands in the South Pacific.

822. What particular advantage would it be to New Zealand to come into the Federation?—If New Zealand remains outside it will be following a policy of isolation like that adopted by Newfoundland, which has proved most prejudicial to the interests of the oldest English colony.

823. *Mr. Roberts.*] Do you think the people of New South Wales really understand the question of federation?—Our league has been engaged in educating the people on it for the past ten years. For seven years the league has been working under a constitution drafted by Mr. Barton, and we have continuously endeavoured to educate the people in Federal matters. We have had two referendums in New South Wales, and have published thousands of pamphlets dealing with the question, and have also held many public meetings. The rival parties and the discussions in the Press have also done a great deal of good in bringing the matter down to the people.

824. *Mr. Millar.*] Is the present Constitution approved by the people?—As a league, we were not a party to any draft Constitution. We thought that it should be left to the people, by an elected statutory Federal Convention, to prepare; and I believe the Commonwealth Act is the most liberal and the best Constitution in existence.

825. Is the league still an active body?—Our business now is to defend the Constitution.

826. Is there any feeling in the league in favour of unification?—That was a scheme propounded by Sir George Dibbs. That gentleman desired, as in Canada before its confederation, to preserve local autonomy, and he believed that the best means of doing so was by amalgamation—a kind of union, I would, however, point out, that had proved a failure between Upper and Lower Canada.

827. Has your league ever discussed the question of an extension of the powers of the Federal Government, or does it intend to uphold the existing powers granted to the States?—The whole matter regarding the Constitution was thoroughly debated. The various other Constitutions were considered in framing our own Constitution. We saw that the various colonies must give and take in this matter. Of course, provision is made that amendments may be introduced, but it is also very undesirable that they should be made too easily. They are far more easily made in this Constitution than is the case with those of the United States or Canada.

828. What I would like to know is whether the league has any policy in regard to this question: do they desire the unification of the States, or do they intend to stand by the powers granted to the original States in the Constitution?—We believe that the present Constitution should have a fair trial; but hereafter one cannot tell what amendments may be necessary. No doubt, in time experience will show that certain amendments will have to be made; but at the present time we believe that the Union must operate in accordance with its Constitution, and that we ought to, as far as possible, defend it.

829. Federation is for all time, and not for the present?—It is for all time; yet the United States, with its iron-bound Constitution, has succeeded in making a number of amendments, and similarly so in Canada. So in our own case demands for amendment will be made, and the same experience will take place here as was the case with those other Constitutions referred to.

830. Those amendments will come in the direction of gradually absorbing the State power?—Some people may think it would have been wiser for us to adhere strictly to the Canadian principle, giving nearly all the powers to the Federal Executive. This matter has been a compromise between the Canadian and the American Constitutions.

831. Merely a temporary compromise?—The majority of Federalists here believe that our Constitution is a far superior one to either one of those mentioned, inasmuch as we have not the same difficulties to contend with here as they have there. For instance, in Canada they have two distinct races. In the United States, at the beginning of the Union, they had a lot of local jealousies and other matters of difficulty in regard to vested interests, such as slavery, far greater than we have had. We are very luckily situated in that respect.

832. *Mr. Beauchamp.*] Do you think the Braddon clause is likely to give rise to friction between certain States at no distant date, especially between New South Wales and States that have a protectionist duty at a heavy rate per head?—That matter of free-trade and protection we, as a league, have never taken any part in. I have studiously kept out of the present contest in that regard. Our league is divided on that matter. We have the leading Protectionists and Free-traders amongst us.

833. The great object of those associated with you has been to get the federation—you have not really troubled yourselves very much regarding the details?—Some of our members, such as Mr. J. T. Walker, in its financial aspect, Dr. Cullen (another of our vice-presidents who is well up in the history of various Constitutions, and who is secretary of the literary committee), and several other gentlemen, have written and spoken concerning the question from various points of view.

834. *Hon. the Chairman.*] Mr. Beauchamp is asking about the Braddon clause?—As secretary, I am concerned solely in organizing branches and disseminating literature, and in other ways educating the people on the question.

835. *Mr. Beauchamp.*] More on the question of the desirableness of federation?—That is our mission.

836. But in approaching federation you have not really given very much attention to the various details under which the federation should be accomplished or worked?—We have an immense amount of literature on the subject. The matter of finance is one for financial experts, such as Mr. Dugald Thomson, Sir William McMillan, Mr. J. T. Walker, Mr. Bruce Smith, and others, to answer.

837. Were there many anti-Billites amongst your members?—I may say this: that at the time of the first referendum there was a division in our league with regard to the Bill as originally submitted, and we did not take any active part on that occasion. But at the last referendum, when there was a United Federal Executive, with representatives from the free-trade and protectionist associations, and from the Legislature and our own league, we took a large share in that fight, which was the biggest of the long campaign. I was one of the three honorary secretaries at the time.

838. With regard to New Zealand, has your league given close consideration to the distance question—the distance that New Zealand is from the capital, and the fact that she is divided from this continent by twelve hundred miles of water?—The fact of Western Australia being even a greater distance from the eastern colonies would be, to a great extent, an answer to that objection. We know, also, that the steam-power now is getting so advanced that what formerly took several weeks to do we can do much quicker now. The trip from England to America can be done in a few days, a very much longer distance than that between New Zealand and Australia.

839. As far as Western Australia is concerned, she is separated only by land, whereas New Zealand is separated by sea distance. The distance between the Federal capital and Western

Australia can be very much shortened by rail, can it not?—That means a somewhat similar undertaking to the Canadian Pacific line. It would be a great undertaking, and there is no doubt but that it will be some time before that work could be accomplished. I think that, with such facilities as steam, telegraphic, and cable communication, difficulties as regards the distance will be considerably reduced.

840. *Mr. Luke.*] Where did your league arise first—in Sydney here?—In Sydney. It was given birth to in New South Wales. There was a deputation from the Australian Natives' Association in Sydney (of which I was then honorary secretary), a very powerful organization throughout Australasia. We waited upon Mr. Barton in 1893, when he was a member of the Dibbs Government. He asked me to be one of the honorary secretaries of the proposed movement, and he sent out a circular, and we had a meeting of representatives from all political parties.

841. How long was it from its birth before these branches were established in Victoria?—Shortly after—the next year in Victoria. A branch was started about the same time in South Australia, and another a little later in Queensland.

842. Did those colonies offer their allegiance to the league, or were they canvassed by the league from New South Wales?—Each colony took action in the matter of affiliating itself with the central league in Sydney, and with branches also in their country districts.

843. How long has there been a branch established in Auckland?—About two years ago we had a communication from there. I had sent a lot of literature to Auckland, and also to Wellington and other places. I am in constant communication with those places. Only on Saturday last I had a letter from Auckland regarding the necessity for giving evidence of the advantages of New Zealand joining the Federation.

844. What I wanted to get at was this: this league has been established in Australia a great many years, but it is only two years since the league was started in Auckland?—Two or three years.

845. It was started, I imagine, on its own account?—Entirely. We generally leave the initiative to Federalists in the other colonies.

846. Does that not rather point to this: Seeing that you had leagues in the colonies of the mainland that started simultaneously, does it not appear as though these colonies had a great question which affected them, which does not affect us in New Zealand in a similar way? Does not the manner in which New Zealand has so far treated the question indicate that the interests were not identical?—It is only a question of time with regard to New Zealand coming into the Union, for time is fighting on the side of federation with regard to all these colonies. The history of Newfoundland shows that its progress has been retarded by its politicians endeavouring to prevent its joining the Union.

847. Newfoundland is not to be compared in any sense with New Zealand?—In the great north-west of Canada the progress has been something remarkable, whereas Newfoundland's policy of isolation has been to a great extent almost the death-blow to that colony, although it is the nearest American settlement to England.

848. Do you not think there will always be a difficulty in a Commonwealth of which New Zealand formed a part? The administration of affairs of an isolated part of the Union, such as New Zealand, would be an administration of railways, postal and telegraphic services, and matters of that concern?—The same difficulty exists with Western Australia. When we have the Federal capital in New South Wales, the Western Australian railways, telegraphs, and post-offices will have to be communicated with and worked from the Federal capital, in the same way as would be the case with New Zealand. The improvement and advantages we have now in electricity and other means of communication, however, almost annihilate any distance.

849. Do you not think that sea-distance will always be a greater bar than distance by land?—We know that freights by sea are far less than those by railways.

850. I am speaking of inter-communication between the people generally?—I believe that, as far as New Zealand is concerned, it will always be a great resort for the people of the mainland on account of its beautiful scenery and climate, and it would be a national calamity if New Zealand should be in any way isolated.

851. All those conditions will remain. Can you account for the fact that very few Australians go through New Zealand now: is it because of the objection to travel by water?—You see large numbers, like myself, travelling to the Old Country and America by ocean routes.

852. They are comparatively few, are they not?—No, great crowds are going now; and I consider that a large number of them make a big mistake in doing so, considering that New Zealand, with her magnificent scenery and cool climate, is so much nearer to us.

853. They will have those advantages whether we federate or not, will they not?—If they succeed in having a kind of protective policy here, then, I presume, the products of New Zealand as trade will not come. We know it is not the passenger traffic altogether that pays. You would have a better class of steamer, and that has a lot to do with people travelling.

854. *Mr. Leys.*] Do you know anything of the financial institutions of New Zealand in detail?—No, excepting from reading.

855. You could not tell us how this federation will affect New Zealand finance?—Of course, it is a matter of financial concern. We know that New Zealand is now in a very prosperous condition. I do not know your colony's latest indebtedness per head, but it has been much larger than the average amount for the States of the Commonwealth during many years past.

856. You could not give us any information personally regarding this aspect of the question?—No. I may say, as regards finance, that there is only one matter that—

857. From your personal knowledge, can you give us any information with regard to it?—I would refer you to financial experts, such as the names I have given.

858. Really you cannot tell us how federation would affect New Zealand?—As far as the finances are concerned, we have had the matter fought out here.

859. I am asking of your personal knowledge?—Those colonies that were opposed to federation always made out that it would be prejudicial to their finances. It was an argument largely used here against federation that New South Wales would have to carry all the smaller States—that all the difficult matters of finance would practically have to be borne by this colony.

860. As to New Zealand you cannot afford us any information?—You gentlemen know more about that than I do.

861. Do you believe that the Federal Government will take over the railways here: they have got power to do so with the consent of the States?—The policy in Canada is—

862. No, here. Do you think they will take over the railways?—I can only reason by analogy. I will give you my reasons.

863. Tell us your conclusions?—Inasmuch as in Canada the Government in the first instance commenced the railways, and spent some millions of money, and then handed them over to private individuals; and as in the United States they have subsidised the construction of railways, and given grants of land all along the line—

864. That has not been the policy of these colonies?—It has not. We have advisedly not done it. Great disadvantage is found under the other policy. It was a great mistake that the railways of the United States and those of Canada should have been allowed to get into the hands of trusts and combines. It would have been far better for the Government to have always had control of them. In the same way I believe the Federal Government ought to have the control of all the railways here. That is only my own impression.

865. And they alone will have the construction of railways in future?—I think so; in order to develop the country properly as a whole.

866. Do you think this continental railway will be soon undertaken?—That is a matter for railway experts; but unless it can be shown that it will be to some extent a paying concern, I am very much in doubt about its being constructed in the immediate future.

867. Do you not think it will be undertaken, like the Canadian Pacific line, for political reasons?—I do not know. In that instance they constructed that railway in order to bring British Columbia and the North-west Territories into the Union. In this instance we have Western Australia already in, and there is no necessity for such a bargain.

868. Do you not think there has been some sort of understanding that this railway will be constructed?—The whole question will be gone into by the Federal Government and financiers and railway experts.

869. *Hon. Major Steward.*] I understood you to say that your league left the question of finance to the financiers?—Do not misunderstand me with regard to that. Personally I have left it so, but members of our league have written a number of publications in regard to that phase of the question, and we have had two conferences.

870. You did say that, did you not—that the league left the financial aspect to experts?—We have gone into the matter thoroughly. I hope I will not be misunderstood in my former remarks on this point.

871. *Hon. the Chairman.*] You were asked a question by Mr. Leys as to whether your league had considered how federation would affect New Zealand finance, and you said, in answer to that, that you left the question of finance to financiers?—The financiers I meant are the gentlemen who belong to our league, and who are financial experts—gentlemen like Mr. J. T. Walker, chairman of the Bank of New South Wales, Mr. A. W. Meeks, Mr. Bruce Smith, and other commercial men who have dealt with these problems in their writings.

872. If that is so, then your league adopted federation for what I may term “sentimental reasons,” irrespective of other considerations?—Oh, no; they went exhaustively into the question. We had a conference at Bathurst and went thoroughly into the matter, and a scheme was submitted. A committee was appointed to consider the financial question, and they brought up a report which showed what the probable expenditure would be with regard to federation.

873. Did that report show that the burdens of the people of New South Wales would be increased or otherwise under federation?—It showed that loans would be obtained at a very much reduced rate of interest, and that there would be a great saving in other ways.

874. I am asking you whether this financial report showed that the taxation necessary in New South Wales would be larger under federation or otherwise: can you say Yes or No?—It showed that there would be, of course, increased expenditure for Federal offices, but it also showed that there would be probable reductions in expenditure in other ways.

875. What is the net result?—I think that, on the whole, we believed it would be financially most advantageous for the development of the resources of the colonies, and that it was otherwise most desirable to have federation.

876. That is regarding general questions?—To remove the border duties especially.

877. Can you answer the question or not as to whether, after making your inquiry, you arrived at the conclusion that the people of New South Wales would have to pay heavier taxation under federation than as an independent State?—It is impossible to do so. The estimates given could only be taken in good faith. It was not possible to give the exact figures until a tariff was framed and its operation noted.

878. I am not asking for exact figures. Did you, or did you not, know whether you would have to pay larger burdens than otherwise?—We knew this: that we have here in this colony the lightest taxed one of the group, and that we could afford to have more taxation: as, for example, in New South Wales last year it was only about half the amount per head of population that it was in New Zealand.

879. Do you know anything about the condition of New Zealand?—I have been there twice. I have also read recent works upon it.

880. From your knowledge of it, would you consider that the advantages of federation are so great that New Zealand should join the Commonwealth irrespective of the financial burden that

federation might impose on them?—That is a question for the people of New Zealand themselves to decide.

880a. Your league is an educating body for the purpose of educating the people on this question?—Yes.

881. What does your league teach the people was the object and purpose of the Braddon clause?—It seemed to be the only solution of a great difficulty with regard to the adjustment of the finances.

882. What was the object of the clause?—As far as I could tell, it was a device to try, if possible, to help, I understand, the smaller colonies; it was not for the benefit of the larger ones.

883. Help them in what way?—In giving them some assurance respecting their finances, which would be to some extent dislocated by the taking-over of their Customs revenue, upon which they greatly depended.

884. Do you occupy any public positions besides this secretaryship?—No; I am an honorary Magistrate of the Territory. I have given all my time during the last ten years to this question, and have spent hundreds of pounds out of my pocket, because I thoroughly believe in bringing the colonies together. This lesson was taught me by my travels in the United States and Canada, where I saw seventy-five millions of people in the States well employed on territory no larger or better than we have here. There is one matter I noticed with regard to New Zealand, and it is this: I saw it stated by the papers that evidence had been given that the crime statistics of Australia compared unfavourably with those of New Zealand.

885. That has nothing to do with federation. We know that the Federal Court does not propose to deal with criminal matters at all?—I only wish to show that the figures for crime in the New Zealand Year-book are rather misleading, without the explanations given by our Government Statistician being also published. The figures of percentages of crime is much less, for example, in Tasmania than in New Zealand or the States on the mainland. Reasons for these differences are given in the publications of the Official Statist of New South Wales to be greater strictness of police administration, larger number of males of such ages as contribute to the ranks of offenders, differences in the tabulation of returns in the various colonies, &c.

WALTER PREEDY examined. (No. 203.)

886. *Hon. the Chairman.*] What is your name, sir?—Walter Preedy.

887. What are you, Mr. Preedy?—I am a clerk in the Agricultural Department of the State of New South Wales.

888. *Mr. Millar.*] Could you tell me what the average value of agricultural land is in New South Wales—the selling-price?—You could not possibly say, because it varies so much. In some districts it is worth £40 or £50 an acre.

889. What would be the value of fair wheat-growing land in the Riverina—say, 500 acres?—To purchase it after it is cleared and improved?

890. Unimproved roughly, and improved if you can?—I should not care to give more than £2 an acre for wheat land. The yield in Riverina is about 10 bushels.

891. Can you give us particulars of what the Crown sells the land at unimproved?—Every district in the colony is quite distinct. The departmental reports [produced] give considerable information as to what lands are available and the conditions under which you can take them up. You cannot say the price until you know how it is to be taken up—whether conditional purchase, homestead lease, and so on.

892. Have you got any map, with the Government values marked on the land, showing the upset price that they intend to put upon any particular portion?—No; but you can get that information in the reports referred to.

893. *Hon. Mr. Bowen.*] The selector may, after taking up the land, sell it himself?—It all depends; he cannot sell a homestead lease.

894. Do the homestead selections ever become freehold?—No.

895. *Mr. Beauchamp.*] Do you acquire the fee-simple from the State in other cases?—In ordinary cases you can, after a certain number of years, and payment of rent based on the capital value.

896. What interest do you reckon?—It varies from $1\frac{1}{4}$ to 4 per cent., according to conditions under which land is taken up.

897. What length of time have you to occupy the land before you acquire the fee-simple?—It all depends on how you take it up. We understood that you wanted to know about the Agricultural Department rather than the Lands Department. Perhaps it would be better for you to examine one of their officers. They could give far better information than I can on land matters.

898. We wanted to know what is the average cost of cultivating, say, wheat land per acre in this State?—That is a very hard thing to say, because the districts of the State are entirely different. An estimate was made a couple of years ago by the managers of the Governmental farms as to what it would cost on a fairly big area with pretty modern machinery, and they reckoned it would cost about 15s. an acre to seed, plough, sow, and harvest it.

899. *Mr. Millar.*] Fifteen shillings an acre?—That was the lowest they could do it, but I have known it done for much less.

900. *Hon. Major Steward.*] Wheat?—Yes.

901. *Mr. Millar.*] That was the conclusion of the managers of the Government agricultural farms?—Yes.

902. What I wanted to get at was this: Have you any idea of the total amount of agricultural land in New South Wales?—Yes.

903. I mean land not under cultivation. I want to get at the total amount of agricultural land available now?—I can give you what is under cultivation now—viz., about 3,000,000 acres. The departmental reports [produced] take all the districts and will probably give you the information you require.

904. Could you make a return showing the leading facts on the point I have mentioned, and also any other statistics that you think would be of advantage to the Commission from that aspect? We want to get the total agricultural land of the State, the total amount under cultivation, and the total cost of production—I do not mean pastoral land—and if there is any other matter that I have overlooked on which you can supply figures I would be much obliged if you will send them down?—I will read you the following report, which the Land Department has been good enough to furnish me with:—

“Area of Available Crown Land suitable for Agricultural Purposes.”

“1. The total area of New South Wales is computed to be 198,638,000 acres; or, excluding all rivers, lakes, and streams, the area is estimated at 195,882,150 acres, and this might be called the available area of the colony. Of this area, at the end of 1899, 25,374,603 acres had been alienated and deeds issued, 21,453,720 acres were held under incomplete conditional purchase and homestead selection, and 13,354,733 acres leased under the conditional-lease system, which conferred the right to purchase; 2,635,955 acres had been placed under settlement lease, and the improvement leases in force contained an area of 4,626,632 acres: so that, making due allowance for all other forms of alienation, &c., it may be assumed that about 70,000,000 acres have passed from the control of the Crown, and are therefore not available Crown lands. Deducting this area from the available area of the colony, it will be found that 125,882,150 acres nominally remain in the hands of the Crown; but it must be remembered that about 79,970,000 acres of that area lie within the western division of the colony, and is hardly to be considered as available for other than pastoral occupation. Again, the area necessary for travelling-stock routes, town commons, mining reserves, water reserves, roads, &c., would form a very important factor in reducing the area of Crown lands available for agriculture. Approximately, therefore, about 40,000,000 acres of Crown lands would remain in the eastern and central divisions of the State; but it is not possible to say what percentage could be classed as lands suitable for agriculture in the absence of specific reports as to the character of the country.

“2. The three principal tenures under which Crown lands can be acquired in this State for the purposes of settlement are as follows: Conditional purchases, conditional leases, homestead selections and settlement leases. The deposits and survey-fees paid by the selector when applying for lands under these tenures are as follows:—

“Conditional Purchases.”—Deposit, 10 per cent. of the value of the land, which is generally £1 per acre, but may be fixed at either a higher or lower rate. Survey-fee, £4 for 40 acres, and ascending by a graduated scale to £18 15s. for 2,560 acres. (*Note.*—No further amounts are collected until the end of three years, when the annual instalments of 5 per cent. of the value of the land commence and continue until the whole amount due is paid with 4 per cent. interest.)

“Conditional Leases.”—These leases can only be taken in conjunction with a conditional purchase. A provisional rent of 2d. per acre is deposited with the application pending the appraisal of the rent by the local Land Board. A survey-fee has also to be paid, varying from £3 for 40 acres to £12 11s. 3d. for 1,920 acres. If, for instance, a man applies for 320 acres as a conditional purchase and three times that area as a conditional lease (960 acres), the amount to be paid with his application would be as follows: Conditional-purchase deposit, £32; survey-fee, £8; conditional-lease deposit, £8; survey-fee, £12 11s. 3d.: total, £60 11s. 3d.

“Homestead Selections.”—Deposit, half-year’s rent, fixed at $1\frac{1}{4}$ per cent. (3d. in the pound) of the capital value of the land, and a survey-fee, varying from £3 for 40 acres to £11 1s. 3d. for 1,280 acres (one-third of this fee can be paid with the application and the remainder in two yearly instalments). If, for instance, a homestead selection of 1,280 acres is applied for, the value of the land being £1 per acre, the amount required to accompany the application would be: Half-year’s rent, £8; one-third of survey-fee, £3 13s. 9d.: total, £11 13s. 9d.

“Settlement Leases.”—Deposit, half-year’s rent, fixed at $1\frac{1}{4}$ per cent. (3d. in the pound) of the capital value of the land, and a survey-fee, varying from £4 for 40 acres to £34 7s. for 10,240 acres. Thus, an applicant for a farm of 2,560 acres, valued at 10s. per acre, would require to lodge the following sums: Half-year’s rent, £8; survey-fee, £18 15s.: total, £26 15s.”

905. *Hon. Major Steward.*] From your general knowledge of the Agricultural Department, could you tell us whether New South Wales is likely to be able at any time to supply herself?—I think she will.

906. You think she can eventually?—She does not at present in all lines, but I think she will be able to supply most things eventually.

907. From what you know of the quality of the land, climate, and so on, you think it probable that she will, as regards wheat for instance, do so?—I think we will be able to supply as much wheat as we shall want. There is no reason why we should not.

908. *Hon. Mr. Bowen.*] Do oats grow well in New England?—Yes.

909. *Hon. Major Steward.*] We are told that though you can grow sufficient quantities of oats you cannot produce the best quality?—We have not done so.

910. Do you know of any reason why you should not?—I should prefer you to ask the Principal of Hawkesbury Agricultural College, whom you will see to-morrow, for this information. All of our farm-managers are away in the country just now, otherwise they would have been pleased to come here and give you all information possible. This year we produced 17,000,000 bushels of wheat—about 7,000,000 more than we required for home consumption. The balance will be exported.

911. Is there room to extend the production?—There is no doubt but that we can as regards wheat, certainly.

912. Now, as to the quality of the wheat: is the locally grown as good as the South Australian wheat?—It all depends where it is grown. There have been complaints about some of our

wheats, because they were soft and weevilly. Our department has been introducing Manitoba and hard wheats. Our experience during the last two or three years shows that those sorts can be grown very successfully here. Millers are giving the same price for home-grown hard wheats as they formerly did for the imported article. Last year we sent samples to a large exhibition in England, and they took a very high place. I think you may say that some New South Wales wheats were not of the highest class, but they are improving. They were deficient in gluten, but are steadily improving.

913. There is no reason why you should not grow first-class wheat?—I should say, not the slightest.

914. As you have already grown more than was required for local consumption, have you land that is suitable to extend that to meet the growing population?—Any amount.

915. There is no probability of there being at any time large imports of wheat?—I do not see why there should be.

916. Do you grow potatoes satisfactorily in New South Wales?—We do not by any means grow enough for our own consumption. We import largely.

917. Are you capable of producing sufficient?—Around Millthorpe and a few other places are practically the only districts in New South Wales for growing good keeping potatoes. For some reason potato-growing has not gone ahead much.

918. Is it because of the limited area of suitable land?—No; there is plenty of land for it.

919. Then, it is quite possible for you to grow sufficient?—Yes, I think so. There seems to be no reason why they should not be grown much more largely than they are in the colder places of the colony; the railway freight, however, is dear. Those difficulties being removed will make a great difference.

920. About onions: could you not produce the same quality as in New Zealand?—We have not done so far.

921. How are your dairying industries getting on here?—We exported about four hundred thousand pounds' worth of butter last year, and there seems every chance, if the Government look after the export trade and see that only good stuff is sent, of it being a great success here. There is certainly no reason to prevent that being the case.

922. You think it possible to supply yourselves in cheese and butter?—In cheese New South Wales is not so good. It is more suitable for butter than cheese.

923. As bacon is practically a waste product of butter, ought you not to be able to produce a sufficient quantity of bacon?—They do not now, but they will, I think, in years to come. The people here have been importing an improved class of pigs, and the industry seems likely to go ahead.

924. Generally, you think New South Wales is pretty well self-contained in these products?—I think she will be eventually. Formerly much of the land now devoted to agriculture was given up to sheep. It is only within the last few years that it has been put to agricultural uses at all, and they are now doing pretty well.

925. As you are not able at present to produce sufficient of those particular articles for local consumption, where do you get the balance from? What about oats?—They come chiefly from New Zealand; a few from Victoria.

926. If New Zealand joined the Federation and then came in under free-trade, would she be able to command your market, such as it might be, for oats, or would you get any supply, any deficiency in your own supply, from Victoria or Tasmania in preference?—It all depends where we can get them cheapest and best from.

927. The question of price would be operative?—Almost entirely; and, of course, quality.

928. Supposing New Zealand does not join the Federation, and does not come under free-trade, and there is a duty on all those articles coming from other countries, do you think that, under those circumstances, any oats you required would be obtained from one of the federated States?—It depends whether New Zealand oats are better than Victorian or Tasmanian; if they are, people would still buy them.

929. *Mr. Leys.*] Is agricultural settlement extending very much in New South Wales now?—Very rapidly. During the last five years we increased the area of agricultural land by over a million acres.

930. Notwithstanding that your port is a free-trade one?—That does not seem to make any difference.

931. Is that state of affairs due to the opening-up of large areas of agricultural land and offering special facilities for people to settle on the land?—It is due to a large extent to the share system.

932. Is that system extending?—A lot.

933. In any case you think New South Wales will rapidly develop its agricultural industries?—I feel sure that with fairly good seasons she will.

934. Federation or no federation, you believe she will shortly become not only self-supporting but a large exporter?—People here do not seem keen about small things; but in wheat, wool, and so on she will be a very large exporter.

935. In produce, like potatoes, that is perishable at certain seasons you would have to bring it in from colder places?—I think so. In cool places, where there is good soil, they will keep.

936. We find in Auckland, where it is a warm climate, that although we can grow plenty of good potatoes they will not keep, and we have to get them from the south. In the same way your potatoes would not keep all the year round; probably yours would be much the same as Auckland ones?—Yes.

937. There is a probability of New Zealand supplying potatoes to New South Wales during certain seasons of the year?—Yes.

938. *Mr. Beauchamp.*] Is the interest in the frozen-meat trade increasing or decreasing?—Owing to the bad seasons of late there has not been much comparatively to send away. Two or three big frozen-meat works have been closed up. It will go ahead again when we get a surplus of sheep. Last year the number of sheep here increased by about three millions, but we are still twenty millions behind what we were.

939. The drought has been general?—This last year has not been so bad. I was in Wagga last week, and the people at the Government farm there told me that this past season had been the best that they had had for some years.

940. Have you any system of Government grading in cheese, bacon, and so on?—No. The Export Board took up poultry. The Government tried to start it, but so far has not proceeded with it to any great extent. The interests of New South Wales are damaged by having no supervision over the export trade.

941. *Mr. Roberts.*] You spoke of land being occupied by people who lease it from large holders: is the bulk of the wheat grown under that system?—I know one man who leases about 14,000 or 15,000 acres.

942. What rent would wheat land bring in?—It is according to what arrangement is made when working on the halves system.

943. It is equivalent to rent?—Of course.

944. What is your average yield here?—Last year it was 10 bushels. In some places it runs as high as 25 or 26 bushels.

945. You have large areas of resumed land here?—No; but the leases of large areas of Crown lands have recently expired.

946. Why has that not gone into cultivation?—Chiefly because of the droughts.

947. Is it for want of population, or because people will not go into the country?—When you realise the very great extent of area that has gone under cultivation here during the last ten years you will see the people do go to the country.

948. There is a large area lying unproductive at the present time, is there not?—I think there is something like seventy million acres lying virtually idle now. It is nearly all out in the west, where they have not had rain for six years.

949. A good deal of it is in the mallee country, where they have had a good season this year?—If they get good seasons it will come under cultivation, but not in bad seasons.

950. Are the bulk of those farmers large or small holders under the Crown?—I should think they are comparatively small. About 500 acres is a fairly big farm.

951. In reference to maize, you import a good deal from New Zealand. That could be well produced here, I suppose?—It is chiefly grown up on the north coast, and it will not keep very well. There is no reason that I know of why maize should not be grown satisfactorily here.

952. Is there any reason why New Zealand should continue to supply you with hops?—They have tried hops here, but labour and other conditions have militated against the success of the industry so far. They may grow good-quality hops successfully in years to come.

953. *Hon. Mr. Bowen.*] You have very good country for maize, have you not?—I think the yield here is about the highest in the world, but still the growing of this product does not seem to go ahead.

954. *Mr. Beauchamp.*] It is weevilly, is it not?—Somewhat.

955. *Hon. Mr. Bowen.*] That is due to careless growing, I presume?—More to the climate. There is no reason against our producing the best quality in favourable districts.

956. I suppose it is used a great deal for horse-feed here?—A great deal; but they do not like it as well as other things.

957. *Hon. the Chairman.*] Is malting barley much grown here?—Very little. A couple of years ago two malting companies started here, and they supplied a number of farmers with seed, and they have been doing well with it since then. I believe it will be grown here pretty largely.

958. Is there any reason, any climatic conditions, why it should not be grown?—No reason at all, except that it is rather an uncertain crop and our climate is rather uncertain. As far as colour is concerned, we sent a large shipment of barley grown in Riverina to experts at Home, who said that, as far as colour and that sort of thing went, it was the best barley they had had. It is said to be equal to Californian. It has not gone ahead much since then, however.

959. With a favourable season are the climatic and soil conditions favourable to its growth?—Yes.

960. What about the fruit industry: is it decreasing or increasing in New South Wales?—It is certainly not increasing much, but it is a little. I think the reason why it has not made greater progress is that the growers started growing fruit in unsuitable places. Nearly all the fruit of New South Wales is grown in the County of Cumberland, and in some parts it does not do so well as the fruit grown further out from the coast.

961. Are the climatic and soil conditions suitable for it?—Yes.

962. It is, then, a matter whether people are inclined to go in for it; if they did it would progress?—Yes. We have a big Government farm at Wagga, and if you were near there and could visit that farm it would give you a very fair idea of the capabilities of the colony in regard to fruit, as they have every kind growing there.

963. Do the orchards last in New South Wales or do they die out early?—In certain places they last as long as anywhere else. You will find oranges growing in the County of Cumberland on trees a hundred years old.

964. Pears and other deciduous fruits?—In the county here, where they are chiefly grown, they sometimes get down on to a bad subsoil and die out pretty quickly. A large area of New South Wales is very suitable for fruit—climate, soil, and everything.

965. Are grapes grown largely?—Yes; in the Hunter and Albury and Cumberland districts. The viticultural expert has been here now for some six or seven years, and he thinks

very highly of the prospects of New South Wales respecting the vine industry, which, however, is about stationary just now, and has been so for a number of years.

966. *Hon. Mr. Bowen.*] Why?—The country is very young. I think things will come gradually. You want to educate the people to this sort of thing.

967. *Hon. the Chairman.*] I see that during the year 1899 New South Wales exported fresh fruit to the value of £114,087?—We import far more than we export. We imported £350,000. We send a lot of oranges away to Melbourne and elsewhere.

968. *Mr. Reid.*] Perhaps the figures mentioned include bananas coming from Queensland?—Yes; a lot would be re-exported.

969. *Hon. the Chairman.*] I notice currants and raisins mentioned: are they locally manufactured?—No; they must come from Mildura. Currants or raisins are hardly grown at all in New South Wales. If you go to the farm you will see about 10 acres under sultanas, but there is no organized outside attempt to work up this industry.

970. *Hon. Major Steward.*] Do you dry your raisins here at all?—There has been a little done in this direction.

971. *Hon. the Chairman.*] What do these statistics show with regard to raisins and currants?—I have seldom seen any growing, except at the Wagga farm and one or two other Government places.

972. What do these statistics mean?—They are re-imports. At least, I am satisfied in my own mind that they are.

973. *Hon. Mr. Bowen.*] With regard to barley, had you not some little difficulty here, owing to the climate, in the process of malting?—I do not think so. Had that been so I think the people I have mentioned would not have gone in for it.

974. It was thought so at one time?—Yes.

975. Are they successful now?—They have only been started a couple of years.

976. I would like to know whether malting is successful here, if they have to face exceptional difficulties in regard to it?—I think not.

977. *Hon. Major Steward.*] Regarding maize, you stated that at present the maize grown here was too soft?—On the coast.

978. And does not keep. For that reason you have to get your maize from elsewhere. Is it not a fact that just as there is wheat and wheat so there is maize and maize, and that it is possible that you will, by careful selection, eventually grow a hard one?—The inland maize grown here is as hard as anywhere.

979. If you have the right districts there is no reason why you should not grow the right kind?—No.

[Mr. Preedy extended an invitation to the members of the Commission to visit the Government experimental farm at the Hawkesbury, stating that Mr. Fegan, the State Minister for Agriculture, would be only too pleased to afford them the opportunity. It was decided to accept the invitation and make a visit on the following day.]

ALFRED WILLIAM MEEKS, M.L.A., examined. (No. 204.)

980. *Hon. the Chairman.*] What is your name, sir?—Alfred William Meeks.

981. You are a member of the Legislative Council of New South Wales?—Yes.

982. Do you hold any other official position?—I was president of the Chamber of Commerce for two years—a couple of years ago. I am a partner in the firm of Gibbs, Bright, and Co., of Sydney and the other colonies with the exception of New Zealand. We did have a branch in that colony at one time.

983. The question of federation has occupied a good deal of your attention?—I have taken a very active part in the Federal movement, and have worked very hard to bring federation about.

984. You know we are a Commission to consider whether New Zealand should come in or not. We have to consider the commercial advantages, if any, and generally the advantages to be derived by New Zealand coming in. Can you give us your opinion as to whether it would be provident for us to join; and, if so, why; and, if not, why not?—My views at one time rather tended towards the idea of New Zealand forming a second Federation with the Pacific islands; but that was a surface thought rather than a serious one. Having given the matter a good deal closer attention, my feeling is now the other way—that it would be better to have one strong Federation in the south rather than two Federations.

985. What is your reason for that?—On thinking the matter over it struck me that it would be very undesirable to have two Federations so close together. Looking at it from an Imperial standpoint, we see that we have the great Federation of the Dominion of Canada—I hope we shall have the Federation of South Africa in the course of time; we have the great Indian Empire; and so it appears to me that it would be a pity to have two Federal bodies within a few hundred miles of one another. The time might arise when these two Federations, if there were two, would be brought into conflict, and that would be a very serious matter.

986. What would be likely to cause conflict?—That is rather difficult to say. The Pacific-islands question is rather a touchy one with Australia, and I think that the feeling in Australia would be rather to prevent any trouble accruing over the control or trade of those islands, that it would be better if New Zealand first, and later on the Pacific islands, were absorbed into one big Federation south of the equator.

987. Is that the only reason why New Zealand should join?—That is the political reason. But I would further say that I also think it desirable from a commercial point of view. I think it is desirable in the interests of New Zealand. I do not think that any statesman of Australia would at any time oppose the Federation; but there may be some people here with smaller minds, who would, as they call it, rather keep Australia for the Australians. But the man with larger ideas—

the leaders of thought, and the leaders of the Federal movement—would certainly prefer that New Zealand should form part of a great Federation, and this from a commercial aspect. It would be a disadvantage to New Zealand if they were treated as foreigners, which they would be, of course, under the Federal tariff. There is no doubt that the tariff of Australasia—it does not matter which party is in power—will be of a much wider sphere and character than has been the case in some of these colonies, particularly New South Wales. Therefore New Zealand will be shut out of all the other colonies, so far as her products are concerned, unless she comes into the Federation. If she does join she will have the full benefit of the trade and share in the progress of the Commonwealth. There is no doubt but that we have done a very large trade with New Zealand. I do not exactly know the figures, but I suppose that this colony alone has done a trade of about £1,500,000, or probably more. That is only one colony. We in New South Wales have been able to do more with New Zealand than some of the other ones, not merely on account of our free port, but also because a good deal of the produce grown in New Zealand cannot be produced in this part of Australia to advantage.

988. The advantages that you see to New Zealand are intercolonial free-trade?—Yes.

989. Beyond that is there any other advantage?—I do not know that there is from a trade point of view. Intercolonial free-trade must be of great benefit to New Zealand. The matters which are referred to the Federal Government are, after all, matters which can be dealt with in a broad spirit—they are national matters. Federation does not in any way interfere with local State government or the internal development of a State, its land-laws, or local legislation in regard to general matters, and it would be desirable to have a uniform system throughout New Zealand and Australia in regard to tariff, defence purposes, postal and telegraphic matters, &c. For defence purposes it is very desirable that we should have one system throughout the southern Commonwealth.

990. Supposing you had, do you not think there would have to be a practically separate command in New Zealand?—I think it would be to some extent, and yet at the same time New Zealand is just as near us, even nearer to the centre of government than Western Australia, nearer than the Northern Territory, and practically nearer than Northern Queensland. It takes six days travelling by steamer and train to get up to Thursday Island, and all that territory up to Thursday Island comes in, and right round to Port Darwin. Western Australia is seven or eight days' journey away from Sydney.

991. Alluding to the postal arrangements, what is to happen to our penny-postage?—I am strongly of opinion that it will not be long before we have penny-postage throughout Australasia.

992. But suppose you do not?—That is a problem that would have to be faced. The same question arose here, for one of the arguments used was that Victoria had not got penny-postage, and that it cost 2d. to send a letter from one end of Collins Street to the other, and the question asked was: What would happen to the cheaper postage-rate of New South Wales. We risked that, and we now find that Victoria, even before coming in, is preparing for penny-postage on similar lines to our own. Regarding the telegraphic rates, we had to risk our sixpenny telegrams when we joined the Federation. But we find that there will be no difficulty in that case. I think the reduction in postal and telegraphic rates will lead to such an increase of business that there will be no actual loss.

993. What do you think about the San Francisco mail-service?—Personally I am opposed to subsidising any steam-service not owned by British people.

994. Failing the San Francisco service, what about the Vancouver?—That can go on all right. I have always supported that, and assisted the local agents of the company for that line to obtain a subsidy. I had no interest in the company, but I helped them from a broad spirit, because I considered it was the better route, being practically through English territory.

995. Have you any idea of what the Federal tariff is likely to be?—I have formed some idea. My feeling is that it will be a revenue tariff, with a protective tendency—protective in its incidence. Throughout the Federal campaign, and through the whole of our discussion, it was practically admitted on all hands that that would be the result of the combination.

996. How do you think it is likely to affect the public finances in New Zealand?—I must confess that I am not quite well enough up in New Zealand figures to speak concerning them. You know the way the present Act is worded, and that the States have to get back a certain percentage of what is collected, and the endeavour will be to so frame the tariff that no State will be worse off by having joined the Federation. As a matter of fact, New South Wales will receive a much larger amount.

997. Our present receipts from Customs is somewhere over two millions. Under the Federal Act the Government may retain 25 per cent. of the net revenue: do you think they will want that?—No. I have always been opposed to that particular clause.

998. It is there?—It is. But the fact was that all the efforts of our best financiers and experts were unable to frame or propound anything better for the first few years. Like any amalgamation that takes place, there is a certain element of risk in the matter, and no colony could afford to have to exercise too great a strain on the direct taxation, for the simple reason that most of the colonies here have direct taxation—income- and land-tax. Consequently, they have strained direct taxation as far as they could well do it, and therefore it was felt by the majority of people that the revenue from the Customs ought to equal as nearly as possible what the States had already been receiving. At one time there was a proposition suggested that each colony should get back its own.

999. We have had evidence before us that New South Wales will probably in the near future be able to supply all her agricultural wants herself?—All her oats?

1000. Yes; all her agricultural wants?—Of course, there is no doubt we are now developing territory that at one time we looked upon as only fit for sheep. We are growing wheat now in

parts of Riverina where it was formerly thought impossible to do so. On the other hand, we have had six or seven years drought, and, although this year has given a very fair yield, yet it is a long way less than we expected. I do not think we can supply ourselves with oats this year. We have never made any great demand on New Zealand for wheat or flour, because it has been found, as you know possibly, that the New Zealand wheat or the New Zealand flour has not stood the summer here.

1001. We are told that there is a surplus of 7,000,000 bushels of wheat this year in New South Wales?—There is a good large surplus. We have never made a big demand on New Zealand for wheat for several years past.

1002. Victoria, you know, supplies all her own agricultural wants and also exports?—Yes.

1003. If this colony can, and Victoria does, where is the great advantage of free-trade for agricultural products to New Zealand?—Of course, if we do manage to supply ourselves with everything the value of my remarks would be somewhat reduced. There are certain lines which under free-trade can be produced cheaper in New Zealand than here. We may attempt to grow things that it does not pay us to grow.

1004. The figures that you quoted as to the imports into this colony from New Zealand include everything, do they not?—The total trade.

1005. Are you aware how much of those imports was for re-exportation?—I could not tell you.

1006. You are aware that a certain portion of it was?—Yes. You have the figures before you, and I did not come prepared with that. I am speaking in a general way.

1007. You say you took a great deal of trouble in bringing about federation?—Yes.

1008. Had you, and those working with you, the idea of the States being merged in the Federal Government?—Unification, as it were?

1009. Yes?—No. We had no idea of such a thing. In fact, I always spoke at the meetings against it. I admit that unification has many advantages, but I always pointed out that it was not to be expected that once any colony had had Responsible Government it would consent to cease to exist as a separate body having power over its own territory, and that though unification might be cheaper as a means of government it was never likely to happen. I do not think there is any chance of its coming. There have only been one or two local statesmen who have spoken or written in very strong terms about that particular phase of the question—that is, in support of it. Sir George Dibbs issued a minute some years ago, and Dr. MacLaurin, M.L.C., also supported the proposal. Beyond those two gentlemen I do not know anybody else going strongly for unification.

1010. Do you think there is any chance in the future, any probability even, of the Commonwealth of Australia becoming an independent republic?—I hope not, and I do not think there is any possibility of it being so in the near future. I know that great stress was laid upon this fact by the speakers introducing federation: that it would be a federation under the Crown. I myself think that under federation that feeling will grow, and lessen that other feeling, which years ago was more marked than it is now, which made towards a republic. I think this republican idea is absolutely disappearing. Amongst extreme socialists and radicals there may be some idea of it still, but amongst all the best thinkers and leading men nothing is farther from their thoughts.

1011. *Hon. Major Steward.*] In connection with your argument in favour of New Zealand joining on the grounds of national defence, you point out that New Zealand is nearer to the centre of administration than is West Australia: I suppose you mean as to actual mileage?—Yes; I am speaking of Perth or Fremantle as ports.

1012. Do you make any difference as regards the facilities of communication by land and sea?—No; because, as a matter of fact, West Australia and Tasmania are practically only connected by sea.

1013. In the event of there being a trans-continental railway built, that would make a difference?—Yes; it would then take about three or four days to get to West Australia.

1014. Still, whenever you can get communication by land, is there not a substantial advantage as against sea communication?—Undoubtedly.

1015. Therefore you cannot exactly compare the two places, because they are not on all-fours?—You will find that steam communication will be shortened, and that by-and-by we will have still faster boats running between New Zealand and here.

1016. But there is a strong objection on the part of a large number of people to travelling by sea which does not exist by land?—Yes.

1017. What is your personal feeling in regard to the tariff, as to whether it is likely to be higher or lower than now exists when it is settled by the Federal Government?—I think it will be a tariff lower than Victoria. They can do with a lower tariff in one sense by having the whole of Australasia to trade in. A very much less percentage will give the States all the assistance they require.

1018. Supposing that the New Zealand tariff were to be about 22½ per cent. all round for specific duties, do you think the Commonwealth tariff will be higher or lower?—I do not think it will.

1019. What, in your opinion, is the tendency of public thought on the Continent of Australia in the direction of setting up a republic here or otherwise?—I think it is unfavourable to republicanism. I gather this opinion from moving amongst the people a great deal, and I think the tendency is the other way. There is a stronger feeling to-day for the Empire than ever existed. The South African War has worked up the loyal feelings of this young community. The sending-away of the troops has undoubtedly brought out the latent feeling of loyalty.

1020. You do not think there is any probability of a feeling growing up in a few years to "cut the painter," to use an every-day expression?—I think not. As I say, the tendency is in the other direction.

1021. Do you know anything about the agricultural possibilities of this question?—I have studied it rather from the wheat-export point of view than the general.

1022. Taking it from the wheat-export point of view, is it not a fact that you grew this season 7,000,000 more bushels than you require for local consumption?—Something like that.

1023. Is it likely that in years to come you will have to import wheat from New Zealand?—I do not think so; New Zealand wheat is different from the Australian wheat.

1024. But you at present import oats from us?—Yes.

1025. Is that because of a shortage in production, or a deficiency in quality?—You produce the better quality, especially in milling oats.

1026. We have evidence to the effect that you have land in New South Wales capable of producing oats, all that you would require here, irrespective of quality?—I am not so sure about that. I would rather leave that to expert evidence in preference to my own.

1027. *Hon. the Chairman.*] That is the evidence from the Agricultural Department?—I am prepared to leave the point to their evidence. It is not a question always, to my mind, simply as to whether it will pay us to grow oats against New Zealand. With your enormous crops per acre, and the smaller ones of ours, I think you would get three times per acre more than us.

1028. That will give us an advantage?—Yes, undoubtedly. Victoria imports, I think, a great quantity of oats; I know she did at one time.

1029. You also get oats from Victoria and Tasmania?—Yes.

1030. What are the respective qualities?—We think them rather poor. They are mostly Algerian oats; mostly husk.

1031. What about price?—They are very low-priced, lower than yours.

1032. Taking the difference of prices compared with the quality, which should command the market?—Personally, I should say, for use and general purposes, that the dearer one from New Zealand, because there is more food in it.

1033. As regards potatoes, do you grow them at all?—Yes, in two or three districts.

1034. Is the quality good?—Yes, very fair; but not equal to Victorian or Tasmanian so far as I know. I am speaking in a general way.

1035. Generally speaking, the Tasmanian are accounted the best?—I think the Warrnambool potatoes are equal to anything, but Circular Heads (Tasmania) always had the name for potatoes.

1036. The cost of importation is about the same from Tasmania as from New Zealand?—Very much the same.

1037. Therefore if the Tasmanian are as good as ours they are as likely to command the market as we are?—Yes.

1038. *Mr. Leys.*] When you said that New Zealand flour was inferior — ?—I did not say that. There is more moisture in New Zealand flour, and it does not stand the climate. Before mills were established on a large scale here my firm acted as agents for a great number of millers, and sold a quantity of New Zealand wheat. We found that the New Zealand flour did not suit the climate, and that the buyers of it here had a difficulty during the summer months. The same thing holds good in regard to sending New Zealand flour up to the stations. And in some cases New South Wales stations will not take New South Wales flour even, but prefer South Australian.

1039. I suppose you know that the North Island of New Zealand does not produce much wheat or flour?—Yes.

1040. Do you think there would be much export of wheat from here to the North Island under federation?—I think there is a possibility. It would be as easy to send it from here as from the South Island to the North. If we were one people trade would be considerably developed, and the passenger traffic would be much larger. I think Tasmania herself will reap the biggest benefit from that very fact, because a lot of people will make that island a place for summer excursions. I think if New Zealand were part and parcel of the Australian Union it would have rather a tendency to induce people here to visit New Zealand and learn more of it.

1041. Do you think they know very much of New Zealand now?—I do not think they do.

1042. Do you think there is any strong inducement for us to go in with a Government that knows so little about us?—You would have to take a share in the Government, you know. I do not think that we know very much about Western Australia for that matter, or the South Australian people, or the people of Queensland.

1043. We have often heard that argument urged respecting West Australian. Is it not a fact that practically there is no difference between certain portions of New South Wales and certain portions of Victoria, and certain portions of New South Wales and adjacent portions of South Australia—that the districts really merge into each other in the same way that West Australia merges into South Australia, and that their interests are really in common?—Only that the parts adjoining West Australia and South Australia are practically not opened out. Those districts are sparsely populated.

1044. Are they not all colonies having large interests in the development of the Northern Territory?—I do not know that they have much to do with the Northern Territory.

1045. Do you think Federal control would contribute to the prosperity of the Northern Territory?—More to South Australia than any other.

1046. Take the northern part of Queensland?—Yes; the northern part of Queensland is not known very much to the people of the south. On the other hand, you are quite right in saying that the development of Queensland pastoral properties, and also Queensland mines, is largely due to people living in the southern States. We have similar instances here. Broken Hill was developed not by New South Wales, but by people from Victoria and South Australia. We do not reap the benefit from that—Victoria and South Australia do.

1047. Can you not see common interests over the whole of the Australian States that do not exist between the Australian Colonies and New Zealand?—I have to admit that is the weak point. There is no doubt but that there is more community of interest in Australia than there

would be between Australia and New Zealand. At the same time, there are a good number of business-people here who have businesses in New Zealand also—several, at any rate.

1048. On that point, according to these statistics, Australia really sends more merchandise in value than New Zealand sends to Australia?—Is that locally produced or simply stuff that passes through?

1049. It is not transhipped stuff; apparently it is actual trading?—I do not know, of course, whether these things are manufactured in the colony or transhipped. Cotton piece-goods are marked; they are goods only passing through. Nearly all of these lists handed to me are for goods only passing through. Tea, for instance, goes there, because the China steamers do not now go direct to New Zealand. Some years ago they did.

1050. I only want to put this question on those figures: do you not think, with such a valuable trade as that, that the Commonwealth will endeavour to maintain it, whether we federate or do not federate?—No doubt they will endeavour to continue the trade with you so far as that is concerned. You mean that there will be reciprocity in some form or another?

1051. Are you likely, under those circumstances, to deliberately boycott New Zealand if we do not federate?—The fact of those imports into New Zealand, and the fact of their putting a tariff on, would not affect a large portion of the trade which we might do with them.

1052. If it does, then we might retaliate?—That is so. The tariff would be general, not specially directed against New Zealand.

1053. In the matter of produce, any tariff set up by the Commonwealth would practically be a tariff against New Zealand?—It would be a general tariff, with the idea of giving local farmers certain assistance.

1054. With regard to those items of produce mentioned here, do you import much from New Zealand?—No, not much. We have imported maize from South Africa, although we grow it here.

1055. With regard to the Pacific islands, I suppose the merchants of Australia value that trade?—Very much. Sydney has been the centre mostly for the trade.

1056. Looking on New Zealand as one of the islands, do you not think they will value and try to cultivate that trade?—I do not think there is much chance of the Federal Government giving a preferential tariff to New Zealand, except perhaps in the same way as it might to any other British colony. The idea of allowing a preferential tariff on British goods has taken root and probably will spread.

1057. You do not think there is much chance of reciprocity?—I do not think so. We have experienced difficulty in the past to even get Victoria and New South Wales to come to an understanding about the tariff question. For some years those colonies had a treaty by which goods went across the border free. Statesmen come and go, and those that come often put down what was considered a necessity in the past. I do not think there would be any special duties with regard to New Zealand.

1058. Do you think there is any prospect of a heavy duty on agricultural products?—Yes; not very heavy. I think the average will be much less than Victoria. In dealing with agricultural produce one has to deal largely with seasons. The members of the Commission are probably aware that there are several cargoes of wheat leaving Victoria for Valparaiso this year. Years ago no one would have thought of our exporting wheat, but we are sending cargoes away now. Fortunately we had rain this year—there may come a time when we shall require a very large quantity of grain. Even our hay or lucerne crops might fail us, though at the present time we can grow enough for ourselves and to export.

1059. With regard to the South Sea Islands, seeing that the cry is being raised by both parties for a "white" Australia, do you suppose there is any probability of Australia federating in anything like a close way with those islands, containing as they do all that amount of black labour?—At the present time they could not come in with any great power—it is not likely New Zealand would come under that head.

1060. Do you not think it most likely that the principal groups will still remain under the Imperial Government as they have been?—I think so.

1061. In that case, what is the serious danger of friction between New Zealand and New South Wales?—It is hard to foreshadow.

1062. Is it not a myth?—It is well to look into it if possible.

1063. Mr. Barton seems to make a point of expelling the few kanakas now in the Northern Territory?—None of the islands are in a condition advanced enough to come into the Commonwealth and to have any particular rights, except Fiji perhaps, and Fiji has only a comparatively small number of natives. The blacks seem to be a decaying power even in the islands.

1064. With regard to the Federal powers, do you think the Federal Government will take over the railways and public debts?—For some time, no; I think there is a strong feeling against it.

1065. But ultimately?—Ultimately, I think there is a possibility. Personally, I was rather in favour of that idea in the first instance. I can quite see the difficulties that there are in regard to the railways, because where you have a large territory, particularly places like New South Wales, or even South Australia—the same thing does not apply to Victoria—it is, of course, necessary to develop that territory. It would be very difficult for any central power to run railways in order to develop another portion of the State at a loss to the Commonwealth. I think every State is justified in losing money in running railway-lines to the outlying portions of the State, but it would be a different thing if the Commonwealth were to attempt it. I think this particular matter is better left alone at present.

1066. Do you think in that case that certain large works, such as the trans-continental railway, will be undertaken by the Federal Government?—If they are undertaken at all they will have to be undertaken by the Government.

1067. Do you not think that for particular reasons, such as led to the building of the Canadian Pacific Railway, these works will be undertaken?—Yes; and they will be of great value.

1068. How will such works be charged? Will they not come out of the common revenues of the Commonwealth?—Yes, the expense would have to come upon the Commonwealth.

1069. Do you think there would be a loss?—Yes, a serious loss. I do not think any one of these matters will be taken up immediately, for the Federal Government will go slow in matters of that kind.

1070. Do you think that if it had not been for friction generally between certain of the colonies concerning railway-rates, duties, &c., federation would have come about in Australia as soon as it did?—That has helped to bring it about.

1071. Do you think it would have been a practical question in Australia at the present time only for that?—That has had a great deal to do with the working-up of the question. There is no getting away from that fact.

1072. *Mr. Luke.*] You think the principal inducement for New Zealand to join the Federation is one of free-trade as regards her products?—That would be one advantage—the chance of trade. Not only agricultural products, but, I suppose, with the climate New Zealand possesses, that there are certain lines that you can manufacture cheaper than we can do here. You would have this market. Your manufactures of woollens are of the finest nature.

1073. Do you think that in that phase of the question you would be at a disadvantage?—I should think not.

1074. We export a few woollens to you now, do we not?—You can export more with a free port. There has been less manufacturing going on here than in the other colonies. In Victoria the clothing-manufacturers are very much more advanced than we are. They manufacture there and send here.

1075. Would we not find them great competitors in the trade here?—Oh, I do not know.

1076. They have the means of centralisation and of specialising their goods: do you not think we stand in danger of our markets being flooded with their manufactured goods?—I do not think so—you can manufacture just as cheaply as they can.

1077. You do not think that those large boot-factories in Melbourne, for instance, would go a long way to wipe out our boot-manufactures in New Zealand?—No; they have always got the expense of sending the goods here.

1078. Is that expense very great?—It runs into money. I think you can manufacture as cheaply.

1079. Have you any idea of the rates of wages paid in Victoria as compared with New Zealand?—No, I have not.

1080. About the Factory Act: how do you think the manufacturing interests stand as to those places where Factory Acts are in force as compared with the colonies where they are not in force? What would be the effect of it?—We hear some complaints on the part of the Victorian manufacturers regarding the Factory Acts, but a similar Factory Act will be passed here in the course of time.

1081. Will it not take a long time?—No; in some instances we are ahead of Victoria. We endeavoured to pass, rightly or wrongly, an Industrial Arbitration and Conciliation Act, whereas Victoria has not attempted it yet.

1082. Do you at present attempt to regulate the wages paid, or the employment of young people as compared with adults?—We have a Factory Act, which does not cover the ground of the Victorian Act.

1083. Is it not true that your Labour party has been trying to induce legislation of that kind and have up to the present been unable to do so?—Yes.

1084. Is not that a strong argument that they are likely to be unable to do so still?—There is a strong tendency now in favour of that legislation.

1085. Do you think you are getting beyond the stage of tendency and that it is taking a concrete form?—Yes, there is no doubt about it.

1086. Do you not think the New Zealand manufacturers would be placed under a disadvantage?—No. The complaint is that Victorian manufacturers will get the advantage, owing to the fact of their having had protection so long. If their Acts regulating the conditions of factories and wages have not had a prejudicial effect on them I do not think New Zealand will be interfered with. I understand your legislation is much more advanced than ours. South Australia is almost as advanced as New Zealand, and Victoria is getting on that way.

1087. I thought Victoria was considerably behind?—The tendency there is towards a similar state of things. I think the effect of federation will be a tendency rather to assimilate Acts of Parliament dealing with labour and the working-classes.

1088. That will ultimately be the case, no doubt. Do you think that will take place in a short period of time, or will it take a long time to accomplish?—I do not think it will take a long while. If it is found that other colonies benefit, and are able to carry on their manufactures satisfactorily under those particular Acts, there will be a great demand throughout the colonies to the Legislature for legislation of that character. The wage-earning portion of the community will find that other States are under a more advanced form of legislation in that regard, and the demand will be so great that no Legislature will be able to resist it. This legislation here has been only blocked in the Upper House, and the Upper House is always amenable to the powers that be in case of necessity.

1089. They are amenable to reason?—Yes; I mean to the powers of the people.

1090. That is an argument that the power behind the Upper House—that is, the people—could in reality force the Upper House to pass that legislation. How is it that that has not been the case here?—The questions have not as yet been before the people at a general election. At the next general election certain matters will be brought forward and put before the people that have not been previously placed before them. They having been threshed out at an election, the

Assembly can, if the people have indorsed their proposals, give much stronger reasons for the Upper House passing that legislation.

1091. Have you any knowledge of work in the furniture trade in New South Wales?—I have no special knowledge. I do not think that the furniture-manufacture is anything like what it is in the other colonies. I believe that the Victorian manufactures are more advanced than ours in this particular class of trade. I think the Chinese manufactures of New South Wales are grossly exaggerated.

1092. You have no knowledge of the manufactures in that direction here?—No; but I think the reports regarding the Chinese manufactures in the furniture trade are greatly exaggerated.

1093. *Mr. Beauchamp.*] According to these trade returns of imports and exports, specie excluded, the balance of trade in favour of Australia is shown to be something like £200,000: some of those lines may be re-exports?—Yes.

1095. As a commercial man and a politician, would you not feel disposed to favour a reciprocal treaty in the event of our colony not seeing its way to federate—a reciprocal treaty in the way of admitting certain products?—As a commercial man, I should say, yes; my mercantile views would naturally lead me in that direction. I am sorry to say that the mercantile interests are very badly represented in the local House of Parliament. In the two Houses put together I do not think we have six merchants.

1096. There are very few men in the Legislature who would take a view like that?—I am speaking of our local houses.

1097. Amongst politicians generally there is a decided feeling against entering into a reciprocal treaty, although it may be to the advantage of the country to enter into one?—Yes.

1098. So far there is no encouragement at all amongst politicians to suggest the advisability of entering into a reciprocal treaty?—No.

1099. You favour an Imperial zollverein?—No. Some concession, we acknowledge, might be given to the British.

1100. Is that feeling growing at all in this State?—Undoubtedly.

1101. Have you many local tobacco-factories and distilleries?—We have three or four very large tobacco-factories.

1102. With the low excise duties placed on the tobaccos, do they compete satisfactorily against imported articles?—Yes; they have an extensive local output. There is a very large cigarette-factory also, and it is very probable that much larger ones will be started here very shortly.

1103. In the event of free-trade our revenue receipts from Customs would be seriously affected?—Excise would have to be raised in such a case as that.

1104. What is the excise duty on tobaccos here?—I could not tell you offhand.

1105. Sir John Quick is looked upon as an authority on tariff matters, is he not?—I do not know about that.

1106. He suggests about 30 or 40 per cent.: would that provide for our extensive free-list?—His idea is to have a protective tariff with a large free-list. At the same time, I think it would cover more articles and be of more general character. It will, I expect, not exceed 10 per cent. from a revenue point of view, and I should think that it would not exceed 20 per cent. from a Protectionist point of view.

1107. Again, with regard to wheat and flour, are there still considerable quantities imported here from America and Canada?—A good deal of flour was imported about two years ago when we were short of that commodity.

1108. The Manitoba flour is quoted here regularly: is there much of it sold?—Yes. At first it was sold at a much higher price than our flour. Bakers paid £1 10s. a ton more for it than for local flour on account of its extra strength. Even now a large quantity of Manitoba flour is sold here.

1109. Can you give us any idea of the value of the land used, say, in Warrnambool for potato-growing? Does that come under your notice at all?—No; I think they are paying £1 an acre rent for it. That is, I believe, what the tenants are paying on some estates.

1110. What is the value per acre of good wheat-growing land in New South Wales?—About £2 10s. to £3 10s. at the outside.

1111. That would be improved land?—Yes. It would be less than that, perhaps £2 to £3.

1112. How many bushels would that yield in a fair season?—From ten to fourteen.

1113. *Mr. Millar.*] You anticipate penny-postage being universal throughout Australia in the near future?—Yes.

1114. You are aware that the Australian Postal Departments left a large deficiency, and still leave it?—Yes; but South Australia had a very handsome profit one year.

1115. These statistics before us quote South Australia as showing a decided loss?—That includes the overland line. One year she made a profit.

1116. I am quoting figures for the year 1899?—That is later than my figures.

1117. It shows that the three colonies have a deficiency of £306,454?—Yes.

1118. By reducing the postage to a penny that loss will be increased?—Yes. In New South Wales we have penny-postage in the city and suburbs and within a radius of thirteen miles from the General Post Office, and a similar state of things in connection with various outside centres of population. Outside of the radius mentioned the charge is 2d.

1119. But the other colonies have all got the twopenny-postage?—Yes; but Victoria is going in for the penny-postage.

1120. If spread over the Commonwealth it would mean a considerable loss, would it not?—I think the cheaper you make these services the better will be the results. The sixpenny telegrams, it was believed, would yield a loss, but such has not been the case; and the reduction of the cable charges has had a similar effect.

1121. It took us seven years in New Zealand to make up a loss in revenue?—It takes some time. It would be a loss at the outset, but that loss would be reduced in amount every year. The idea that if you reduce the charges it means a loss of money thereby is, I think, imaginary. This was shown in the case of our trams, for when penny sections were proposed the idea was looked upon as dangerous from a financial point, yet we have found the traffic so enormous at the penny rate that it has more than covered the cost. I think the same effect will be found in regard to postal and telegraphic reductions. The cable-rates have been reduced to 3s. 6d., and I feel sure will later on be further reduced to 2s. 6d., and that the company will sustain no actual loss by the reduction in charge.

1122. From a State point of view you are aware that the best revenue portions of the State are already completely served with postal and telegraphic communication. New lines and offices would go to less populated centres?—The telephone-rate here was another instance of the way the reduction in the charge works, for when the rate for connection with private houses was considerably reduced the number of messages and the number of subscribers increased enormously.

1123. The postal communication deals primarily with centred population. Take the country districts, where it is an expensive item to open up new country, that will add to the capital cost and appropriate a large portion of the increased revenue?—That applies more particularly to places like Queensland or South Australia than to Victoria or New South Wales.

1124. We may expect that these departments will leave a loss for many years to come?—Yes.

1125. Do you anticipate that the Central Government will assume greater powers than granted under the Constitution Act, or do you think the powers already granted will be maintained by the States?—I do not think the States will give up more of their powers, or that they would consent to the Central Government dealing with their lands or the general administration of the States.

1126. Education?—That will be kept separate, no doubt.

1127. After the Central Government have legislated for all the powers they have now, where are the further powers coming from to legislate for except they amend the Constitution?—I do not think there is any need.

1128. It will have to be amended?—I do not think there is need for any further powers. I believe the position of the Federal Legislature will in a few years be a very easy one.

1129. It will soon develop into an administrative body instead of a legislative one?—Practically.

1130. As a matter of fact, the Federal Parliament is going to become an administrative body of the States?—Very largely.

1131. Will the fact of the Federal Parliament being established have any effect on future State loans? Will the State loans be impaired?—I do not think so; the fact of there being a Federal Government will probably strengthen the borrowing-powers of the State. I believe the State will get better terms, because people will feel that the Central Government is behind the State. Not that the Federal Government will be called upon to protect the State, but the mere fact of the State being under the Act will assist it in its borrowing.

1132. You do not anticipate there will be any trouble at all?—I really think they must borrow at better rates. They are bound to get a definite and settled revenue from the Federal Government, and that will help their borrowing-power.

1133. Under the powers of the Federal Government the whole of it is practically absorbed, is it not?—The people will feel, as regards State borrowing, there will not be much fear of anything going wrong now, seeing that they are part and parcel of a great Commonwealth. There will be that tendency, anyway. I would think that the States will be stronger in that respect as part of the Commonwealth than they were previously.

Sir GEORGE RICHARD DIBBS, K.C.M.G., examined. (No. 205.)

1134. *Hon. the Chairman.*] You have been connected with the politics of New South Wales for many years?—Sixty or seventy.

1135. And Premier of the colony?—I have been Premier of the colony three times.

1136. And a member of the Legislature for how many years?—I could not tell you, but a good many years. I devoted over forty years to politics.

1137. Did you take any prominent part in the movement for bringing about or in reference to the federation of the Australian States?—I was a member of the first Convention appointed by Sir Henry Parkes. He tried to exclude me from it by putting one of my supporters in. I was then leader of the Opposition, and evidently was not moulded sufficiently to his views. However, the House took the bit in its mouth and put Parkes's nominee out and me in, whether he liked it or not.

1138. You have, at all events, in and out of Parliament, watched the various movements leading up to the formation of the Commonwealth?—Yes.

1139. May I take it that you are familiar with the Commonwealth Bill?—In a general way.

1140. Might I ask you if the Commonwealth as at present constituted meets with your approval?—No. I am against the whole principle of the Commonwealth Bill, which tends to a Federal form of government such as we have got to-day, as unnecessary to the wants of the community. It is a mere blind copy to a large extent—the original Bill was—of what was done in America at the time of the separation, although the conditions were so entirely different. When I joined that Convention I was in favour of the unification of the whole of the Australian Colonies. Having one Parliament would get rid of what is now becoming an incubus—a certain type of legislators. Having one Parliament only you would get really first-class men, and make the States Governments local bodies for local legislation. I am in a considerable minority now, having lost touch with those who were madly enthusiastic for federation.

1141. Apart from that difficulty, as it appears to you, do you approve of the financial arrangements?—No, I do not.

1142. What are your objections?—I do not approve of the mode of dealing with them in the first start off. Unification would be one pooling of interest of everything, instead of having conflicting interests at issue, as we will have under the present system, for these States will be at issue with the Federal Government before many years. If it does not come about through unforeseen circumstances, it will certainly be brought about by the fact that the principal assets, and the principal indebtedness, of the whole of Australia are supposed to be for public works, and that the construction of these public works—the railways, for instance—will lead to a confusion, competition, and a hostile feeling as strong as the hostility between the colonies ever was, owing to different tariffs. I remember, at the time the matter of federation in this form was being agitated, I pointed out that, inconvenient as was the question of having separate colonies with different tariffs, there would be a greater inconvenience arise if the assets and liabilities were not pooled, the reason being that the railway competition between the States will become so great as to cause irritation between the respective interests concerned. It is great to-day, and you will have a very good idea of it if you read a letter published in the daily papers, signed by Mr Fehon, one of the Railway Commissioners, who takes up the question, and suggests as a remedy that the railways should be pooled. Each colony is trying to take the trade from the other, and that is what has always been the case. That trouble is looming up, and promises to be a great source of danger.

1143. Do you think it probable that the Federal Government will take over the railways, and that the States will practically be compelled to consent to that, as well as to the consolidation of the debts?—The Federal Government will yet realise that the Federal form they have adopted is not the most successful form that could be carried out. No doubt it will suit some colonies, but I do not believe it will suit New South Wales. I believe that, if we want to come closer together, we should become altogether as one nation, with one Parliament to make laws. Financially, we are going to get into a big muddle under the present arrangements. With the States Governments borrowing, the Federal Government borrowing, and the Government works being pushed on by each colony, to take from an adjoining State the trade which they think should belong to them, I can see considerable trouble ahead.

1144. What do you think will probably be the remedy for that state of things?—The remedy is to come down to the original idea of unification. This country, as well as New Zealand perhaps, is cursed with people desirous to serve their country as legislators, and that is to be attributed to payment of members and “one man one vote.” The whole country is prepared to offer themselves so long as the £300 a year is obtainable.

1145. Do you think that the unification of which you speak is probable, and within what period of time?—That is a big question.

1146. Do you look forward to the States being absorbed in the Federal Government?—I would absorb them in regard to all large works, leaving what we call the Legislative Assembly of New South Wales a large municipal body.

1147. Do you think there is any chance of the Federal Government being altered to bring that about?—No; because of the monetary considerations. This Federation so far has failed in one of the great objects that the more enthusiastic gave as a reason for its adoption when it was before the people here. The idea was that by federation we would bring out men of a higher intellectual class to take part in the new form of government. You have only got to look at the list of those who are standing for the Federal elections to see that many of them are absolutely unknown men. I do not know half of them, although I have been mixed up with local politics for many years. Apparently we are not going to get the best men by that means, for there are very few good men standing. With regard to the candidates for the Senate, it would be a very difficult matter to pick out six men fit to represent New South Wales.

1148. I gather that you do not approve of the present Constitution?—May I ask this: the idea of your Royal Commission, which you represent, is to decide or recommend some policy for New Zealand to take with regard to her joining this Federation, or otherwise?

1149. I was going to say that as you disapprove of the Constitution, do you think it would be to the advantage of New Zealand to join?—You want a straight-out answer to that?

1150. Most certainly?—You had better stay where you are. I do not think it would be an advantage to New Zealand or to the Federal Government here. New Zealand cannot be governed from the Australian shores. You could not have the seat of government there, and I suppose you would not expect it or ask for it. You are one colony and will become one continent in time. As an onlooker I say New Zealand for herself is better out of the partnership. As a British dependency, if she ever required help—as affecting the flag of England—that help would have to be as cheerfully given by the Federal Government of Australia to New Zealand as help would be given and has been given by New Zealand to the Mother-country. If mutual help as regards defence is required we are still one people. I would recommend you to stay where you are. You have a rich country, filled with every resource and with a magnificent race of people, and what more do you want?

1151. You said it would be for the benefit both of New Zealand and of Australia that we should stay out?—I do not think you would help us much. The colonies now forming the Federation are practically all parts of the one territory. Tasmania simply drops in for her own purposes, and it would not do to have Tasmania free of some connection. She cannot help herself, and is a portion of the chain, as it were. I look upon New Zealand as an entirely different country, with all that goes to make a great country—natural resources and an energetic people.

1152. It has been put to us that trouble is likely to arise between the Commonwealth and New Zealand regarding the Pacific islands?—Those islands are practically nearer to New Zealand than Australia. With regard to the question of tariff, that could be easily settled by treaty as well as

if you were in the fold with us, and I am certain that your being in with us would not practically work either for the people of New Zealand or of Australia. There is no difficulty in the shape of tariff or any question of common agreement. I know New Zealand was anxious to cover some of the Pacific islands, and, personally, I would let her have them. It is more her right than ours, though we really founded them. I cannot see that the alliance between New Zealand and the Australian federated body is practicable. Mind you, we have a lot of enthusiastic people here who believe that the Federal Government will make every sovereign worth two, but I put it down that every sovereign will be worth about 15s. That is the relative position. We could obtain all that we are likely to get under the present federation by the Customs treaties. We have shown that we belong to a great Empire, and that loyalty is the same throughout the colonies and New Zealand, and the spirit actuating us is that we are fighting for a just cause. That would always be so, but not for riot or disorder.

1153. The Federal Government has taken over the Defence Department?—Yes.

1154. Who are sending these contingents that are now leaving Australia away?—I suppose they are being sent by the Federal Government. That is supposed to be the case since the 1st January, but it would appear as if each colony is sending their own away as before. It would look as though the Federal body had not taken over the defence administration yet.

1155. Yes, since the 1st of the month?—They have taken it over as one of the bundle of things they are dealing with.

1156. *Hon. Mr. Bowen.*] Accounts are to be kept from that date, but the administration is not yet changed. It has been alleged here by some of the witnesses that there might be a danger in having two British Federations in these seas, instead of one, as they might quarrel?—We have lunatic asylums here.

1157. Do you think it would be better to have the two?—I think it would be better to have one instead of two.

1158. I say safer to have two, instead of one?—Oh, no. There will be no difference between any portion of the Empire, taking England as the centre. There will be no difference between the minor States, or any danger of their coming into collision.

1159. In spite, perhaps, of a somewhat reckless act of some one of them, who might feel inclined to "cut the painter" in a fit of temper, or something of that sort?—It would be a long painter to cut—a matter of twelve hundred miles or so between New Zealand and these shores.

1160. The allegation was made that there would be less chance of conflict if the whole of the colonies in these seas were under the one head?—That is a point that an orator would make in speaking of the matter. Practically, I do not see anything in it.

1161. Is it not more likely that, if there was either one of them inclined to be rebellious to the Imperial connection, there would be more chance of checking an irrevocable act if there was another Power in these seas?—I have in my time lived in republican countries, and I cannot see why Australia should threaten to "cut the painter." And I do not see what advantage it would be to New Zealand to say, "No; it is all humbug; we do not believe in that," to any step that might be proposed by another Australian Colony towards republicanism. I am looking at New Zealand as an important factor. All the colonies on the mainland have joined, as well as Tasmania. If you were attached to us, and there was a boundary-line by gum-trees, as we say here, I would say come in. But separated as you are you would be idiots to come in. I give you my practical experience, having been in Parliament forty years, and having had a hand with regard to the question of the federation crusade. As its result we are going to have bad government, and a large section in it drifted into chaos. You are one colony. You have one parliamentary House. I would think very seriously before I gave up that position to attempt to be governed from this distance, because under federation you would have to be governed from here. The laws will cause a lot of trouble, and matters will have to be relegated to the Imperial Government afterwards. The States and Federal Governments will come into collision, but there will be no fighting over it.

1162. *Mr. Beauchamp.*] You made some reference to a reciprocal treaty: do you refer to any reciprocal treaty that might be entered into by Australia and the islands, or New Zealand and the islands, or New Zealand and the Commonwealth?—You will have to coax them over to give that to you. It is quite on the cards that the treaty will be entered into in respect to British manufactures.

1163. You are the only leading man who has, so far, led us to believe that there is any chance of a reciprocal treaty being entered into?—Have you spoken to Mr. Barton yet?

1164. Yes?—He is wildly enthusiastic.

1165. At the present time the balance of trade as between New Zealand and the Commonwealth is about a quarter of a million in favour of Australia: in view of that position, would it not lend colour to your suggestion that a reciprocal treaty might be entered into?—I have a warm feeling that we have rushed into this thing without due thought. After forty years' experience I have arrived at that conclusion. I expressed it years ago, and expressed the opinion also that when Sir Henry Parkes introduced federation he was not sincere. It was only one of his wild-cat shots for the purpose of blocking the Protectionist party, which had gained the ascendancy in the House. He started the idea without consulting any of his colleagues. He used it to sink the interest in the question of free-trade and protection by saying to the people, "You are going to have federation, so what is the good of disturbing the tariff." He held office by that process for some time longer than he otherwise would have done. The strongest proof of his insincerity in regard to the matter is that he allowed years to go by without attempting to deal practically with it. He used it merely as a wet blanket on the Protectionist interest, and he succeeded. Later on others, like Barton and Wise, took it up, and Parkes's hand was comparatively forced. Up to the time of his death, beyond having started the idea and making a few windy speeches, he did nothing. His only argument in its favour was that there would be Federal lunatic asylums,

1166. Is it not a fact that the Commonwealth was practically brought about by the strong agitation of Victoria?—I think Victoria has most to gain by it. Federation has been a rolling ball in politics for years past. Reid is no more a Federalist than I am. Barton is, because he is as thoroughly convinced as a man can be about its advantages. The others have been making a political move of it for a long time.

1167. As far as the financial aspect is concerned, they have made a leap in the dark?—Certainly, and about a lot of other things. The catalogue of things to be dealt with wholly and solely by the Federal Government should be doubled—quadrupled. We are now beginning to find out where the difficulties are. Get the *Daily Telegraph* of the 25th January, 1901, and you will see a very able letter of Mr. Fehon's, in which he sets out a remedy regarding the difficulty in connection with the railways.

1168. Would you reduce the States, under unification, to about the same level as the London County Council?—Yes; there would be many such councils. There is going to be a collision between the State legislation and the Federal legislation. There will be petty squabbling for years to come.

1169. *Mr. Leys.*] Do you think the Federal Parliament will be inferior to the States Parliaments in the character of its members?—Are you speaking sarcastically or not, because the present State Parliament of New South Wales is just about as inferior as you can make it. The Federal Parliament will be about on a par—it is not going to be superior. The question is being reduced to the petty one of who is to be leader, Reid or Barton.

1170. With regard to borrowing, it has been stated that there would be great advantages accruing from federation in approaching the London market: do you see any advantage?—There would be if there were no State Legislatures borrowing alongside of them. I do not believe in the people of the same country borrowing, as it were, twice instead of once only. New South Wales wants to borrow money now, and we are going to borrow it to build railways at the instigation of the State Parliament, after a lot of log-rolling, to the border of another State so that we can take the trade from them. You can see what is likely to result from that. The Federal Parliament talk about borrowing on the London market to build a railway through to Perth. They might as well start to build a tunnel to New Zealand. It is to be what they call a national railway—a national railway sop is the word for it. The London money-market will not be equal to these demands.

1171. If the Federal Parliament commences to borrow for such works as you have indicated, will not that fact be prejudicial to State borrowing? Will it not bring down the price?—It might be; but you will admit that when a man discounts a bill he looks to see how many names are on it, and I would like to see the bill indorsed by as many as possible—Tasmania, New South Wales, Victoria, South Australia, West Australia, and possibly New Zealand. I would sooner lend to them as a whole than to any particular State.

1172. If the Federal Government is borrowing on the security of the common Customs revenue, will not that depreciate State borrowing?—To some extent it will, but you will be clear of that so far as the Australian States are concerned. It ought not to affect your borrowing.

1173. I mean, if we were federated?—Oh, I am taking it that you are trying to fit on your question to a New Zealand point of view. I do not think that any operation, Federal or State, would affect the money-market as against New Zealand.

1174. If New Zealand came in?—You would really give us better conditions.

1175. What effect would it have on our own borrowing for our own purposes?—That is where I am strongly in favour of unification as against this State business we have got. I only want one source of borrowing.

1176. *Hon. Major Steward.*] As regards finance, what is your opinion as to whether, under federation, the taxation will or will not be higher in New South Wales? Will it not be higher than under her separate Government?—Undoubtedly.

1177. I think her revenue, so far as Customs is concerned, is raised chiefly from duties on intoxicants and tobaccos?—Yes, under free-trade.

1178. She has nothing like an *ad valorem* tax?—Not at present.

1179. Under federation there will be?—Yes.

1180. The probability is that New South Wales would have to pay more taxation: how much do you think it would be?—About 50 per cent.

1181. At any rate, a million a year more?—Yes.

1182. In addition to that, is there or is there not a probability of railways—trans-continental railways—being constructed for political reasons, irrespective of their payable qualities, under the Commonwealth?—I can see them sticking out a foot now.

1183. If New Zealand went in, seeing that the Customs revenues for the first ten years are pooled, New Zealand would have to contribute to the cost of those railways?—Yes.

1184. Although under the Commonwealth Act the maximum amount of Customs revenue of each colony that can be impounded by the Federal Government is 25 per cent., after ten years that limitation is removed, so that practically there is no limitation after the expiration of that time. Is there or is there not a likelihood that circumstances may arise that very much more than 25 per cent. will be taken by the Federal Government?—That is a big question. It requires more consideration than an offhand answer. I know that the Government think they have more powers than others think they possess. The greater power will probably carry the day, and heavier taxation will follow. The whole tendency of the colonies is extravagance. The tendency is to keep yielding more and more, practically political bribes to secure the support of the various Governments to keep in office.

1185. To the extent of 25 per cent. Customs revenue the several States may have to contribute to the Federal Government, and there is a possibility of its being more in years to come, as you

say; therefore the several States will require to raise a larger amount by direct taxation?—That is what it will have to come to. They will be debarred from touching the tariff. They must live within their allowance or go to direct taxation.

1186. We have had expert evidence to the effect that after allowing for the savings of the departments taken over New Zealand's contribution direct will be less than £450,000 a year to begin with. That is independent of the disturbance of finance by the possible fixing of a Federal tariff, which would apply to us, of a less rate than ours, and would therefore necessitate our raising a larger amount by direct taxation. Under those circumstances, do you think there is any compensating advantage that we would obtain?—I cannot see it.

1187. It has been represented that we would secure possible advantages as regards defence. Now, in the event of possible danger arising, it will arise from our connection with the Empire, will it not?—Yes.

1188. Then, Australia will be equally in danger with ourselves?—Yes.

1189. Even if Australia would be willing to help us at any time because of common nationality, would she not require all her forces to defend her own shores?—That does not necessarily follow.

1190. You are speaking of the navy?—I am speaking of the army now. It can be shifted now with almost the rapidity of a navy.

1191. I mean this: do you think that Australia as a continent will be able to help us at all in the event of danger?—I think she would.

1192. You are aware that in the event of any difference between the law of the State and the laws of the Commonwealth the laws of the Commonwealth prevail?—Undoubtedly, that will be one of the sources of dissatisfaction.

1193. We have penny-postage with practically the whole world with the exception of Australia and America, and with the whole of the British Empire with the exception of Australia. Supposing we came into the Commonwealth—the Postal Department being taken over—it would follow that we would lose our penny-postage?—Until the Federal Government adopted it, which they will have to do later.

1194. On the whole, you say there are a large number of difficulties and no recommendations to our coming in?—

1195. *Hon. the Chairman.*] What do you understand will be done in reference to the State properties and the State duties under the Commonwealth? You are aware the Commonwealth takes over, say, defence-works, post-offices, public buildings, and other State properties which are the subject of State duties: what will be done in respect to them?—Under the present Constitution?

1196. Yes; what will happen?—They will have to adjust the value of these properties between themselves.

RICHMOND.

TUESDAY, 26TH MARCH, 1901.

GEORGE VALDER examined. (No. 206.)

1. *Hon. the Chairman.*] You are the Principal of the Hawkesbury Agricultural College?—Yes.

2. How long has this College been established?—About ten years. We have 3,500 acres, one hundred students, and our chief crop is maize. We also raise considerable quantities of wheat and oats for hay.

3. How long have you been in New South Wales?—Seventeen years.

4. Have you been engaged in farming pursuits here?—Yes; for about four years before I joined the department.

5. Are you acquainted with the agricultural characteristics of this colony?—Yes.

6. Can you tell us whether very much wheat is produced in this colony?—There is a surplus of about 6,000,000 bushels in the colony.

7. Has the land under wheat been considerably increased of late years?—It has been more than doubled.

8. Are oats grown in New South Wales?—Yes; but mostly for hay, very few for grain.

9. Is the soil suitable for grain-growing?—Yes.

10. In what parts?—Over a very large area of the western and southern districts.

11. Do you think that New South Wales is capable of growing enough oats to meet her own requirements?—Not for grain, but for hay. The land is suitable, but the climate is not.

12. Is the climate and soil suitable for the production of maize in large quantities?—Yes.

13. Enough to export?—Yes.

14. Is the soil and climate suitable to the production of barley?—Yes; but not in such a large area as you would have for wheat. I refer to malting barley.

15. What do you mean by sufficiently large area?—More than sufficient for our own requirements, but not to export largely.

16. What about potatoes?—There is a considerable quantity grown in New South Wales, but our trouble is that they do not keep well.

17. Are there large areas of land suitable for potato-growing?—Yes.

18. Speaking generally, do you think that New South Wales is able to supply its own requirements in the shape of agricultural products?—In some, not in oats for feed.

19. Can she grow enough for export?—There are some few crops in regard to which she cannot meet her own requirements.

20. Is the dairy industry in New South Wales progressing?—Yes, capially.
21. Will she be able to supply herself in that industry?—With butter, certainly; but I do not think with cheese. She ought to be able to export butter.
22. Can you tell us what is the average cost per acre of cultivating farming lands in New South Wales?—It is a very awkward thing to give, because it depends on the nature of the crop. For wheat we can put a crop in and take it off for 13s. to 15s. an acre, and the yield averages 12 bushels.
23. This is poor land, I understand, at Hawkesbury?—Yes, very poor.
24. Is it highly cultivated here?—Yes; it yields from 20 to 25 bushels of wheat per acre.
25. Do these low averages pay in New South Wales? It is very much below the New Zealand average?—Yes, it pays.
26. *Mr. Leys.*] How do you manage to make these low averages pay?—It is the cheapness of the land which has a lot to do with it, and it is worked in very large areas.
27. Then, I suppose that where these low averages obtain the land is not very highly cultivated?—Oh, no.
28. Do you know anything of New Zealand farming?—Yes.
29. If this land were cultivated in the same way that they farm in New Zealand, do you think the averages would approach to near ours?—No; the rainfall is not great enough.
30. This land of yours seems to be about as poor as any in New South Wales?—Yes.
31. And yet you get 25 bushels to the acre?—Yes; but we have a good rainfall here.
32. Is there any large area of land as well adapted as this for grain-growing within the rainfall area?—No, and most of it is taken up with maize.
33. How is it that you import maize from New Zealand?—Because for the last few years we have had a very poor rainfall.
34. We were told that your maize is very subject to weevil: is that so?—Yes; but I think we should get over that difficulty by proper treatment and storage.
35. You think it is not that the grain itself is more subject to weevil than the New Zealand grain?—In bad seasons, yes; but for the last four years the average yield has not been good.
36. Looking at the whole of the agricultural products of New South Wales, is it very likely that there would be any large market for New Zealand produce here?—Yes, in some few lines, such as oats, peas, beans, and other smaller crops, because our climate is not so suitable for them as that of New Zealand.
37. I suppose that year by year you are becoming less dependent than you were on that country for supplies?—For some things. In wheat we have become self-supporting, and also in butter.
38. Cannot you produce hams and bacon as well as New Zealand?—No; the climate is not as suitable.
39. Not even under the refrigerating process of treatment?—No; and the feed is not as suitable, because you can cultivate successfully grasses and other fodder crops that we cannot.
40. *Hon. Mr. Bowen.*] Is there no good land on this farm?—No.
41. Why was this site chosen for the College?—Partly because it was Government land and available near Sydney; and, again, because many authorities consider that it is a good thing to train boys on poor land under hardships to teach them to know how to make the best use of it.
42. You think that is a good thing?—Yes. I have had experience of both, and I prefer this.
43. Are you aware that malt is imported from New Zealand?—Yes.
44. This is entirely owing to free-trade, I suppose? Would it bear a duty coming in here?—I think it would. You get a very much better crop of barley in New Zealand than we do.
45. Is there any difficulty in malting in this climate?—No.
46. I was given to understand that the heat created some difficulty?—I think that there is very little difficulty in that way.
47. Then, you do not think the question of tariff would very seriously affect the importation of malt here?—No; I think it would still come in. They have a difficulty in getting the barley, and they prefer to import it malted rather than import the barley and malt here. Merchants have in many instances made contracts with the farmers to supply barley, but in dry seasons the grain produced is often not fit for malting.
48. *Mr. Roberts.*] Do you use manure with all your crops?—Yes, in very small quantities. We use bonedust largely, and the refuse from the meat-works.
49. What is the value per acre of the manure you put on?—It ranges from about 5s. to 8s.
50. Do you use phosphates for your root-crops?—Yes, bone-phosphates.
51. Is the cost of railage very cheap here?—It is very low—about 3s. a ton—for wheat from here.
52. Generally speaking, the railway-rates are very low all over the colony, are they not?—There is not much farming land with rates as low as those I have just quoted, which are low from being very near to Sydney. Take the Riverina, for instance, which is 300 miles from here: the rates range from about 15s. to 18s. a ton, and even more.
53. What is your average rainfall?—About 32 in. Our rain comes from the north, but in the winter and the summer we do not get much. In November or December, when the maize is in flower, we want a heavy rain to insure getting a good crop.
54. *Mr. Beauchamp.*] Do you irrigate on this farm?—We only have sewage-plots for utilising the waste water.
55. What conditions do you accept boys on?—A certificate of health, education, and character. We charge £25 a year, including board. The idea is that a boy pays 10s. a week for his board, and gives his services for what he is taught.
56. Can you make the farm pay on those conditions?—No.

57. Has the College a good reputation: I understand you turn out good farmers?—Yes. It is by far the largest college in Australia, and we are always full; we have room for a hundred students.

58. Under what conditions are manures and agricultural lime carried on the railways here for farmers?—They are not carried free, but at low rates.

59. Have you tried the German manures here?—Yes, but the cost of many of the imported manures is too great compared with local manures.

60. What do you reckon would be the average cost of land for wheat-growing in New South Wales?—£3 to £5 an acre.

61. What would be reckoned a payable price to the farmer for wheat?—About 2s. per bushel would turn in a profit.

62. You spoke of the necessity of importing certain descriptions of produce from New Zealand: cannot these be imported from Tasmania and Victoria, or do you think our quality is superior?—I think you can compete fairly well in the market both in regard to quality and price. Seed-oats I had to buy from New Zealand for this farm, and also beans and peas.

63. *Hon. Major Steward.*] What is the price of farm-labour here?—The minimum wage for labourers under Government is fixed at 7s. a day. Farmers pay 5s. to 6s. per day, or up till lately £1 a week with keep; now many are paying £1 5s. and keep.

64. In harvesting wheat do you strip the heads, or reap and thresh as we do?—Up to late years we did nearly all by stripping, but the binder has come in very rapidly, and also the harvester.

65. It is a more expensive process than the stripper, is it not?—Yes, but it is a better style of farming.

67. It has been stated to us that the maize grown in New South Wales is inferior to that grown elsewhere, being softer: is that so?—No; I think that is the fault of the system of harvesting. There is no reason why we should not produce maize equally as good as that produced anywhere else, given proper care, and that proper seed is selected.

68. As regards potatoes, we are told that the Tasmanian potatoes are preferred in this market to the New Zealand ones on account of their better quality: is that so?—For some years they have been of better quality than the New Zealand ones.

69. And the freight is about the same from the two colonies?—I think, if anything, it is higher from New Zealand at the present time than it is from Tasmania.

70. Do you or do you not think that Tasmania would command the potato-market principally, or New Zealand?—I think they would divide it.

71. You are able to grow potatoes here, but they will not keep?—That is the trouble; and during certain seasons we must import, and, if we import, New Zealand would stand an equal chance with Tasmania. We would also get a fair quantity from Victoria.

72. Do you think that Victoria is capable of producing more than she does now?—I do not think she is likely to have a much greater surplus than she has now.

73. Is there much importation of beans and peas?—Not very much; but it is increasing.

74. *Mr. Reid.*] What is the average cost of clearing the bush land?—For dry timber about 10s. an acre; green timber costs from £1 10s. to £2, and heavily timbered country much more than that.

75. Is there much available Crown land in this district?—No.

76. What is about the average size of a farm for growing cereals?—For maize they vary from 50 to 200 acres, and for a wheat farm they are much larger, varying from 200 and 300 acres up to 1,000 and over.

77. Do you experiment in other crops besides cereals?—Yes.

78. With beet-root for sugar purposes?—Yes.

79. Successfully?—Yes; but the climate of this district is not suitable for sugar-beet; it is too hot.

80. Is it grown successfully in New South Wales?—Yes, at Tenterfield and in other cool districts; but we do not produce much, because so far the cane is produced cheaper than the beet, and I think it is doubtful if the growing of beet for sugar is likely to increase for some time. Another reason is that there is no beet-sugar factory in New South Wales.

81. *Mr. Luke.*] What part of New South Wales is suitable for the production of onions?—They are grown on the Hunter and in other parts of the coastal districts; but they do not keep any too well. The only chance is to get the early market before the New Zealand onions come in.

82. Is the ordinary market-gardening profitably carried on in the large cities?—Yes; it is chiefly done by Chinamen.

83. *Hon. the Chairman.*] Do you grow onions here successfully?—Yes.

84. What fruits do you grow?—Peaches, grapes, plums, oranges, and other citrus fruit.

85. Is there any reason why fruit should not be grown generally throughout New South Wales?—Yes; the want of rain.

86. Can pears be grown well in New South Wales?—Not really well, because the climate is a little too warm.

87. What fruits do you think you can grow successfully?—Mostly the stone-fruits, such as peaches and apricots.

88. Apples?—Yes, in the cooler districts.

89. Do you think New South Wales can ever become an exporting centre for fruit?—Yes; but more for the canned and dried fruits.

90. What about the small fruits for jam-making?—We have a very poor supply of raspberries and strawberries.

91. *Mr. Roberts.*] How do you reckon a bushel of wheat at 2s. would pay the farmer?—I gave you the figures.

92. The growing would be 1s. 3d., and the railage would cost another 6d.?—No; the figures I gave were on truck at the railway-station.

93. And that really means 2s. f.o.b. here?—Yes.

94. Because if you take a 12-bushel crop costing 15s. an acre, and add the cost of the railage and commission in Sydney, it stands the farmer in 1s. 10d. a bushel in Sydney?—Yes.

95. So that 2s. a bushel in Sydney would mean only a profit of 2s. an acre all round?—2s. in Sydney would not pay.

96. But that is all it is worth at the present time?—A little more than that.

97. Do you know John Young's orchard at Molong?—Yes.

98. How many acres has he?—500 acres; principally stone-fruits.

99. Is that one of the largest orchards in New South Wales?—I believe it is the largest. The average size is only from 20 to 40 acres.

100. *Hon. Mr. Bowen.*] If you had more accommodation here, would you take in more students than the hundred?—Yes.

101. Would you object to do so?—I would not like many more, for the reason that applicants are in excess of vacancies, and it gives us a better chance to keep good boys, because if a boy does not get on well I can send him away and take another one in his place.

102. You think that a hundred is as many as you can advantageously train?—Yes, because otherwise we would have to increase the area of cultivation.

103. In regard to the teaching, how is that arranged: have the students a day in and a day out?—Yes.

104. Do they attend lectures on their "in" days?—On the indoor days, alternately lectures and class-work. Take stock: Supposing there was a day on sheep, we start with a general lecture on sheep, and we then follow it with another two or three hours' wool-sorting, and in the afternoon we go out on sheep-management. You must get the theory with the practice, and that is the way we arrange the work.

105. *Mr. Leys.*] Is fruit-growing considered to be a paying industry to the settler?—That is rather doubtful.

106. Is it extending or declining?—It is extending, undoubtedly.

107. But you think there is only a limited district for producing fruits?—Those portions of country with over 20 in. of rainfall are suitable, and also the climate, which means about one-fourth of the colony; but you cannot take all that one-fourth as suitable for fruit-growing, because you cannot get suitable soil for the purpose.

108. Are you not preserving fruits now?—Yes, on a small scale.

109. We have been told that the runholders are encouraging agriculturists to go on their lands and cultivate portions: is that done on a very large scale?—Yes, in connection with wheat-growing. The idea was that the squatter could get his land cultivated, say, for about three or four years, and then lay it down in pasture for sheep. Most of our soils are a bit sour when first broken up, but after a year or so of cultivation they generally improve, and therefore they get the farmers to work it on what they call the share system for several years, and then lay it down in lucerne.

110. Is that likely to lead to an extension of the agricultural industry?—Yes, I think it will, because the squatter finds that it pays better to let the farmers have small portions on those conditions, and the system is gradually extending.

111. Who finds the capital under that system?—The farmer does the work, and the squatter finds the land and the seed.

112. *Hon. the Chairman.*] Is fruit-growing carried on in a scientific way in this colony, or in a haphazard way?—Mostly in a haphazard way. There are very few scientific orchardists here.

113. If the cultivation was scientific, would the yield be considerably increased?—Yes, undoubtedly.

114. Are you much troubled with blight?—Yes.

115. Are there no means taken by law to keep it down?—No.

116. Is the phylloxera prevalent?—Not very.

117. Is there legislation against it in this colony?—Yes.

118. *Mr. Luke.*] In stating that wheat cost 15s. per 12 bushels to the acre to produce, do you allow anything out of that for capital account?—No.

119. That is really grain and labour: is that a fair average cost throughout the average wheat districts in New South Wales?—I should say so. On some farms they have brought it below that.

120. *Hon. the Chairman.*] In regard to hops, is the soil against their cultivation, or is it because the people do not go in for them?—It is the climate.

121. As regards pears, I am told that in the Orange district they can be grown well?—Yes; it is a colder climate.

122. *Hon. Mr. Bowen.*] Have the small orchardists any difficulty with regard to getting labour?—Yes, there has been some trouble; but now we are getting a lot of the work done on the contract system, and it is not so bad.

123. *Mr. Leys.*] Is good land necessary for fruit-growing?—Although it is not necessary to have good land for fruit-growing, it is advisable to get it if you can. If the soil is of a light sandy nature—i.e., easy to work—it will often pay to take such land up for fruit-growing, even if it is poor, as generally the natural drainage is good, and the low cost of cultivation in comparison with that of the heavier soils allows a considerable margin for the purchase of fertilisers.

HOBART.

FRIDAY, 29TH MARCH, 1901.

His Honour Mr. Justice CLARK examined. (No. 207.)

1. *Hon. the Chairman.*] I understand you have been good enough to say, sir, that you have no objection to give evidence before us?—I have no objection.

2. You are a puisne Judge of the Supreme Court?—Yes.

3. And were formerly a member of the Tasmanian Legislature?—Yes; and a Cabinet Minister, and a member of the Federal Council of Australasia. I was a member of the Federal Conference called by Sir Henry Parkes in 1890 in Melbourne, which consisted of the members of the Federal Council, with two representatives of the colonies who were not in the Council, and I was also a member of the first Federal Convention of 1891.

4. We are a Commission appointed by the Crown in New Zealand to inquire as to the propriety or otherwise of New Zealand becoming a State under the "Commonwealth of Australia Constitution Act," and we understand that you have taken considerable interest in the question, and especially as to how the different States will be affected financially. We would be glad if you will kindly give us your views as to how the finances of the different States are affected under the Act. Do you approve of the present Constitution under which the Commonwealth of Australia is constituted?—I certainly do not approve of the financial clauses, and I never have. I approve of the framework of the Constitution, and of its provisions relating to the Executive and the Legislature and the judiciary, but not of the financial provisions of it.

5. Will you kindly tell us your objections to the financial?—I speak more particularly as a citizen of Tasmania; but I think the objections I am putting forward as to the financial proposals apply in a less degree to some of the other colonies. I believe that the only just and safe method of securing the several States in the Commonwealth against financial embarrassment is for the Commonwealth Government to take over absolutely the greatest possible portion *pro rata* of all the debts of the States, and that until that is done there will be no satisfaction on the part of Tasmania and some of the other colonies. I have written a pamphlet on that question, and an introduction and an appendix to two others. Anything I might state about the consolidation of the debts is only repeating what is in the pamphlet [produced].

6. But, supposing they are not going to take them over, what is the result you fear?—That Tasmania will be so crippled in her finance that she will have to impose an inordinate amount of direct taxation, which is always very disagreeable, or have to relinquish doing many things which she has hitherto been able to do. We get from the Customs a much larger proportion of our total revenue than the other federated States of Australia, and therefore we are going to lose immensely more than any other colony is going to in the shape of Customs revenue without getting a *quid pro quo*. I have no objection to the Bill excepting with regard to the financial clauses. If they provide for taking over the debts, that will settle everything, and Tasmania will be perfectly safe financially, and it will do no injury to any other colony. I believe the other colonies will be safe too.

7. Do you mean for the Federal Government to take over all the debts with the Customs?—Yes; I want some permanent solution of the financial difficulty.

8. Do you think that the ten years will be the limit to its being necessary to retain annually one-fourth of the Customs and excise for Commonwealth purposes?—They are not constitutionally compelled to return anything after that.

9. Have you considered the question of New Zealand joining the Federation?—Not much, because it seemed to be a foregone conclusion at the Convention of 1891 that she would not come in. She only sent three delegates to represent her there, and I understood from them that there was very little probability of New Zealand coming in, and therefore, in my study of the federation question, I considered New Zealand was out of it.

10. Do you think that Tasmania will be under any disadvantage by reason of her separation from the continent in respect to administration?—The distance is so short that I do not think we shall be affected by it any more than, or possibly as much as, Western Australia. Although Western Australia is part of the continent, I believe the distance by land, and the uninhabited nature of the intervening country, really places her further from the centre than Tasmania.

11. Do you recollect, at the Convention you speak of, Sir John Hall mentioned the twelve hundred miles of sea as affording twelve hundred reasons for New Zealand not federating: what do you say to that difficulty?—It certainly does apply with more effect to New Zealand than it does to Tasmania. It would be a disadvantage, but I would not like to say that it is absolutely an objection to federation.

12. Do you think it would interfere in any way with the administration by the Federal Government in such matters as postal matters, for instance?—In that respect you are no worse off than you are now, as far as communication with other colonies is concerned.

13. But would not the administration of the Post Office be prejudicially affected by reason of the distance?—I am not prepared to say that it would be prejudicially affected; but I am prepared to admit that, with regard to Tasmania, and more particularly with regard to New Zealand, and, I suppose, in regard to Western Australia, the inhabitants of those colonies would not have the same control over the management of the Post Office that they have at the present time. I do not suppose the opinions, wishes, wants, and necessities of the immediate surrounding population will be as carefully attended to, or so quickly responded to, as under the present system.

14. Will Tasmania benefit, do you think, by the intercolonial free-trade as soon as the uniform duties are established?—I think Tasmania will.

15. In what way?—During the last twenty or thirty years we have suffered very heavily, by reason of intercolonial tariffs against us, in respect of our fruit, jam, timber, hides, leather, and woollen goods. In spite of the tariff against our woollen goods in Victoria, I have information

that several Victorian houses take them, and they will take a much larger quantity under inter-colonial free-trade. We used to do a very large business with Victoria in timber, but first of all they put on 1s. duty per 100 ft., then 2s. ; but that did not keep it out, and then they raised it to 3s., which has had the effect of practically stopping all export of timber to Victoria.

16. You mentioned that you were a member of the Federal Council: in your opinion, is the present Constitution an improvement on the functions of the Federal Council, or do you think the Federal Council would have answered all the purposes required by the Federation?—I think not. It had no taxing-power, and if you once give a Federal authority taxing-power in the full sense of the word—that is, the power to tax the individual citizen—and give it the right to levy Customs duties, I do not see that there is any halfway house between that and federation.

17. Having arrived at that view, what do you think would be the position of the States in the future: do you think they will be absorbed in the Federal Government?—No. Our State rights are quite as effectually protected as the State rights of the American States.

18. *Mr. Beauchamp.*] In taking over the debts of the Commonwealth, would you suggest that certain assets should be taken over by the Commonwealth?—No. I think it is a perfect fallacy to talk about taking over the assets. It has been urged that the Commonwealth ought to take over the railways with the debts, because the greater part of the debts have been incurred in building the railways; but a large amount of money has been spent in building roads and bridges, and no benefit could accrue to the Commonwealth by assuming control of such works. The wooden sleepers and iron rails, which are rotting and wearing out every year, are not any security to the English creditor. The security is the population who are living alongside the railway and using it, and the power to tax these people.

19. Then, with regard to such buildings as post-offices, would you suggest that the Federal Government should return to the States a fair percentage on their capital cost?—That is provided for. I think they have to give them the capital value of the building.

20. As to the present proposal of Mr. Barton to raise eight millions and a half, will that enable the Federal Government to return to the amount of 25 per cent. to each State the sum that at present each State raises in the shape of revenue? In other words, will it place Tasmania in as good a position as she enjoys to-day?—I am not quite sure of it, as it is some time since I looked at the figures, and I am now speaking from memory. I believe that less than nine millions will not suffice for his requirements, and I should not be at all surprised to find that he wants more.

21. Are your industries fairly developed?—The timber trade is fairly developed; and there certainly were at one time a large number of people on both sides of the Derwent, and also on the northern coast of Tasmania, engaged in working sawmills; but I am afraid some of them have been shut down in consequence of the check to the exportation by reason of the intercolonial tariffs, but there is a hope that they will reopen now, or that others will be started in their places. In fact, one large English company is just commencing operations—erecting mills and buying up small ones.

22. Do you apprehend that such industries as flour-mills and bobt-factories and iron-foundries will, with intercolonial free-trade, be prejudicially affected by the competition of Sydney and Melbourne?—I do not think the iron-foundries and engineers will; but it is possible that the biscuit and confectionery manufactures, and such kind of industries, may have to contend with Victorian competition, but the large amount of work done by the iron-foundries will not be affected.

23. You apprehend that other industries will be affected, such as timber?—I am sure that the timber and fruit will be affected advantageously, and the woollen industry as well. We have now three woollen-mills in Tasmania, and I believe that in ten years, with federation, the quantity of woollen goods produced will be doubled.

24. Is it assumed here generally that there is any sacrifice of legislative independence by federating?—There must be some. We have given up already all power to impose Customs and excise duties, and, in fact, we can only impose now direct taxation.

25. As to the distance question, you think that there is something in that argument on account of the distance of New Zealand from the Federal capital?—I am quite prepared to admit that, with regard to Tasmania, the local wants and feelings will not be so quickly responded to.

26. *Mr. Millar.*] Do you think, Mr. Justice Clark, that the people of Australia gave much consideration to this matter before they voted on it?—That question might be taken in so many aspects. If you ask me if they understood the legal aspect and what might be called the constitutional law on the subject, I tell you No; that would take you many years of study to thoroughly comprehend. I believe that most of the people who voted for federation voted for it in the desire to get intercolonial free-trade. That is what guided the mass of voters; but in the minds of many intelligent people there was a higher abstract idea which influenced them. Another thing that appealed to the ordinary elector was the question of defence, on account of the disturbed state of things in Europe and the East.

27. Do you think that many of the delegates at the Conference saw what the ultimate result of the financial proposals would be?—No one did. It was a leap in the dark.

28. Now that the Commonwealth Constitution has been established, do you anticipate that the powers of the Federal Government will from time to time be increased over and above that which is granted to them under the Act?—They cannot expressly alter them except by an Imperial Act.

29. And you anticipate that the powers granted the State will be maintained?—Yes; the Supreme Court is the authority to declare invalid any Federal legislation which encroaches on the State functions, and we know that in the case of Canada and United States of America the Supreme Courts have repeatedly declared both Federal and State legislation to be invalid.

30. What powers will the Federal Parliament have left to legislate on after they have legislated on the whole of the thirty-nine articles?—The Commonwealth has a considerably larger number of subjects to legislate on than the American Congress has, and the American Congress has not exhausted its powers in over a century yet.

31. Then, you do not anticipate that the powers already granted to the States will be interfered with?—No. All the ordinary legislation for the protection of life and property, and the regulating of contracts, are still left absolutely under State control. The Federal Government has no power to employ a single policeman or to regulate a contract within a State.

32. Does it not appear to you that, by taking the control of the principal source of revenue away from the States, it means simply enlarging the legislative functions of the Federal Government?—I do not think so, any more than has been the case in America.

33. We have not the same territory to work as they have in America, and we have not the same power to alter the Constitution?—Perhaps the best thing would be to cut the big States up into two or three.

34. Have you seen that in New South Wales they are urging the reduction of the number of members in the State Parliaments?—I see that in several colonies they have the same notion—that it would be saving of expense.

35. Do you not anticipate that the State Parliaments will be gradually curtailed to such an extent as to ultimately result in the abolition of the States and the establishment of a form of local government in the place of the State Parliament?—That would have to be done by an amendment of the Constitution.

36. In the event of such a thing happening, do you anticipate that Tasmania will be as well governed by Civil servants as she is now?—You mean if the Commonwealth were transformed into a unified Government?

37. Yes; which is one of the probabilities you have to look forward to?—I am opposed to unification, but I have always been a strong Federationist. I think it is preferable in many ways. I anticipate that the experience of federation will show the benefits of it so plainly to the people that they will resent any proposal to alter the Constitution. That has been the case in America, where they have strenuously resisted any attempt to centralise.

38. But in the American Constitution it is almost an impossibility to amend it?—Well, if the body of the people wanted it, it could be done; and our procedure is almost the same as the Americans.

39. Do you think the credit of the States will be at all impaired in reference to future borrowing by reason of the Federal Government taking over the probable channels of revenue?—I think the credit will be affected; and, so far as it will be a check on extravagant borrowing, I think it will be a very good thing.

40. Do you think that you could borrow as favourably, seeing that you have reduced the value of your securities, as you could if you still controlled your full security?—I suppose that capitalists will look at the amount of indebtedness of the particular State borrowing and the sources of its revenue, and judge for itself as to the stability of its position. Of course, if a State is found to be living beyond its means its credit will be bad; if it is keeping within the mark its credit will be good, just as in the case of ordinary individuals.

41. Does the Tasmanian Government advance money to local bodies?—They have done so, but there is no permanent law providing for it, excepting advancing annual subsidies to road trusts, but that is not done regularly. In some cases they have advanced money by way of loan, and it has never been repaid.

42. Of course, you know that in New Zealand we advance loans to local bodies, and that the principal and interest is paid back every half-year?—I quite understand that you could devise such a system and make it a success.

43. Do you anticipate getting back any portion of the 25 per cent. of the Customs revenue that you hand over to the Federal Government?—We must get some back.

44. But do you think they will require the whole of that for Federal purposes, or do you think Tasmania will get some of it back?—It is impossible to say. I think it is quite likely that the expenditure will be increased in connection with the building of the Federal capital and completing the defence-works.

45. *Mr. Roberts.*] You anticipate that the woollen-mills will benefit under federation?—Yes.

46. In New Zealand our woollen-manufacturers fear that they could not compete with the Victorian factories. Tasmania apparently has no such fear?—I have always understood that the manufacture of woollen goods in Victoria has been a failure.

47. We are told that they produce a shoddy stuff which knocks out the *bona fide* article?—I cannot say anything about that; but I know that, in spite of the Victorian tariff, we are sending woollen goods into Victoria now.

48. *Hon. Mr. Bowen.*] Would not the fact of the security of a State being pledgeable to the Commonwealth be detrimental to its quotation on the market as a State security? If the State were borrowing, would it not be looked on as though we were giving a second mortgage rather than a first one?—I believe that, having started with a relinquishment of the right to collect our Customs duties, we have placed ourselves in a position of having our security rather depreciated. I do not think we shall be able to borrow as a State as much as in the past.

49. *Mr. Luke.*] What is your opinion as to the possibility of developing Northern Queensland by white labour?—I have had no personal experience of that part of Australia. I have not got the ordinary workman's objections to employing coloured labour in particular localities; but I have a very strong objection to having a large population of an inferior race in the middle of a superior race, both on moral, social, and political grounds.

50. Do you think it is possible to develop those regions without black labour?—White labour has been used in the cotton States of America since the abolition of slavery, but I think it cannot be employed on the sugar-plantations.

51. What do you think would be the benefit to Tasmania or New Zealand of the construction of trans-continental railways?—I believe there will certainly be a ground of objection on the part of

Tasmania and New Zealand to the Federal Government building such railways, in regard to which those colonies, although contributing towards the cost, would reap no probable benefit. But I personally disapprove of the Federal Government taking over the railways.

52. Do you think there is a probability of their doing so?—I think the longer it is delayed the less people will desire it. There seems to be a floating opinion about that it would be a good thing for the Federal Government to take the railways over with the debts; but I advocate that the debts should be taken over without the railways. I think the clause giving the Federal Parliament the power to control the commerce conducted by railways gives the Commonwealth all the necessary political control of them. And they have found out in America that the Federal Government has ample power to control the railways for military purposes whenever necessary.

53. *Mr. Leys.*] If the Federal Government took over the debts, as you propose, what would be the procedure as to future borrowing? Would they borrow on behalf of the States?—No; the States will borrow on their own security, unless the States and Federal Government mutually agree to borrow through the Commonwealth, which they could.

54. After once consolidating the debts, would you again build up a number of small State debts?—I presume that there would be future borrowing, but not to the same extent. You see, the States will not require to borrow for defence purposes, which is a big matter in some colonies; and they will not be under the necessity to borrow for new postal, telegraphic, and telephonic services.

55. In New Zealand we borrow for such purposes as the acquisition of lands and the cutting of them up, and we borrow for advances to settlers: how could we raise money for those purposes if the Federal Government had all our security?—You would have to raise on the security of direct taxation, but there is nothing to prevent the Federal Government distributing the surplus revenue amongst the States, if it chooses to do so, without any special legislation. The American Government have frequently distributed surpluses amongst the States for such purposes as building schools and making roads, and, as the members of the Federal Parliament will all be representatives of States, if they wished that system to be followed it could be done, and the surplus revenue could be distributed in the form of bonuses to the States.

56. Does not the fiscal supremacy of the Commonwealth really give it absolute control over State enterprises?—It has that appearance in Australia, for the simple reason that all the Australian States have raised from duties of Customs and excise a much larger portion of revenue than any other country in the world, and there is no doubt we shall feel the want of it.

57. But has not the fact of their not having control of the Customs revenue crippled the American States in regard to undertaking any kind of enterprise?—Of course, they have not borrowed to build railways, as we have done. The railways in America have been nearly all built by private companies, but the State Governments have very often given them grants of land to help them. There may be a few railways owned by the States in America, but, generally speaking, they are all owned by private companies.

58. Does not their Constitutions largely prevent many of the States from borrowing?—Some are limited that way.

59. What do you take to be the intention of the Braddon clause?—The object was to secure the States—to insist on a certain amount of revenue being raised in order to insure a certain amount being returned to the States.

60. Why is that limited to ten years?—I was not a member of the last Convention, and cannot really say why the clause was so limited.

61. What advantage do you think there would be to an isolated colony like New Zealand in the matter of defence if we federated with Australia?—I am rather inclined to think that possibly you might not get the same advantage from it as others would on account of your distance, as one squadron could not be in the two places at once.

62. You think we should have, practically, to rely on ourselves if England lost the control of the sea?—Of course, if the population of Australia increases very rapidly, and we are able to keep up anything like a large fleet of warships, then New Zealand would get assistance from a portion of it, and she would derive an advantage from being in the Federation.

63. Do you think there is any probability of Australia being able to raise a navy of her own within the next fifty years?—It is possible.

64. Do you think there is any danger of the large central States of Australia amending the Constitution in the direction of handing over big powers to the Federal Government, to the disadvantage of the smaller States?—The Act requires the majority of the States to agree to any amendment.

65. Four would be sufficient even if New Zealand came in?—I think it would be a great public convenience if Queensland were cut up into two or three parts, and the Constitution could not be amended quite so easily then.

66. Do you not think that the fiscal question may force the Federal Government to take over the railways?—The Federal Government now has power to control the railways throughout the Commonwealth through the medium of an Inter-State Commission, and I do not see that it would benefit the States to have the railways taken over by the Central Government.

67. But if the Government absorbed the whole of the Customs and excise revenue ultimately for their own purposes, would there not be a desire to throw the whole of the public works on the Government, and that an amendment of the Constitution might be made in that direction?—Of course, there is no doubt that the State ownership of railways makes the problem very different from what it is in America and Canada, where they are owned by private companies.

68. Do you think there will be much conflict between the States and the Federal Government over questions of that kind?—I do not think so. We have not got any slavery question to create strife between us and the Federal Government, as was the case in America.

69. Have you any labour legislation in Tasmania controlling hours of labour and wages?—We have a Factories Act, which does not go nearly as far as yours.

70. Have you an Arbitration and Conciliation Act?—No.

71. Have you any idea as to how far boy- and girl-labour is employed in the woollen and other factories here?—There are boys and girls in jam-factories.

72. *Hon. Major Steward.*] Is there a good market for Tasmanian woollen goods in Australia?—Yes; in Melbourne. The senior partner of one of the largest houses in Melbourne told me that he was getting a considerable quantity of particular goods from here, and if we had intercolonial free-trade he would take a much larger quantity.

73. Our experience has been in New Zealand, where we produce a first-class article, that we cannot exploit successfully the Australian market: is Tasmania's success in that direction due to her producing something special?—I think it is, because this gentleman I was speaking to referred to a particular line.

74. In the event of the duties being removed, you think that a market for woollen goods could be successfully developed from here?—I think so.

75. How are the new arrangements going to affect your farmers: do they look forward to a large increase in the export of oats?—I think they are expecting to export oats; but I cannot speak from experience, only from statements I have heard.

76. Supposing New Zealand went into the Federation, and thereby be put on equal terms with other States, would it affect your export trade in produce to Australia?—It is quite possible it might.

77. I am referring to the oat-market?—Yes, it might.

78. Do you know anything about the potato-market?—Yes; we export a large quantity now to New South Wales from the north-west coast.

79. Do you export to Victoria?—I think the majority goes to New South Wales.

80. So that the free-trade tariff will not affect that trade with Victoria?—Excepting that the Victorian tariff has kept our potatoes out, and as it is a nearer market it may be a better one.

81. Do you think this question of a united defence has been a factor in the minds of the Tasmanian people in urging them to federate?—Yes, and I believe it was an inducement to the people of the continent.

82. Do you not think that New Zealand's distance from Australia, a matter of four or five days as compared with your two days, would very much minimise the advantages of our joining in the scheme?—I quite admit that would reduce the advantage unless we look forward to the time when we had something like a navy of our own. Then, I think, you would share the advantage.

83. But until that time arrives our main line of defence by sea must be the Imperial navy?—Yes.

83a. And if England failed to hold the command of the sea, one of the results of which would be that all her outlying dependencies would be in equal danger, I presume that Australia would have quite enough to do to defend herself and Tasmania without being able to spare us any help?—Yes, in the present state of affairs.

84. *Hon. the Chairman.*] Is it not a fact that most of the leading politicians in the several States are endeavouring to enter the Federal Parliament?—Most of the old politicians.

85. Does that not serve to show that they think, at all events, that the Federal Parliament will survive as against the States?—No, I do not think so; there are two things influencing them. I suppose they think it is a wider field for political ambition, and I dare say with some candidates the £400 a year is an inducement.

86. Will you be good enough to give us your opinion as to the effect of the establishment of a Federal Court of Appeal upon the present right of appeal to the Privy Council?—It does not affect the right of appeal to the Privy Council in ordinary cases. The right is only limited when the powers of the Federal Government or the State *inter se* are concerned. Personally, I advocated the final appeal being in Australia, and always have done. I wrote upon it. I was one of the draftsman of the Bill of 1891, and we restricted the right of appeal. My own personal view was to abolish it altogether. I believe in judicial independence.

87. Do you agree that the right of appeal to the Privy Council as between subject and subject is not taken away?—Not in ordinary cases.

88. And the right of appeal is only limited when some constitutional question arises affecting the Constitution of the Commonwealth?—Yes.

89. *Mr. Beauchamp.*] Some of the statesmen we interviewed in Sydney expressed the opinion that, unless New Zealand joined the Federation, sooner or later friction would arise through either country desiring to get the supreme control of certain islands in the Pacific: do you share that opinion?—I have not considered the question, but, as it has been just put to me suddenly, I might say that I do not think there is any danger of that kind.

90. *Hon. the Chairman.*] Is there any other matter upon which you would like to give us your opinion, but which we have not asked you about?—One matter you have not asked me about is the question of your growing trade with Canada and America. From what I can see of the future, the trade and commercial relations between yourselves and America and Canada will increase, and I do not think the rest of Australia will have such relationships with those countries as you will have; and, of course, if you join the Federation you would lose all separate control of the legislation which would affect your interests in that trade.

91. And there is also the fact that the Federal tariff probably would be a lower tariff than the tariff we have in New Zealand?—It would affect the whole question of trade between you, Canada, and the United States, and those interests would be taken out of your hands, although you are more intimately associated with them than the other colonies and will be more so in the future.

92. *Mr. Leys.*] That is a reason why we should not surrender the control of our fiscal policy?—Yes. Many questions might crop up affecting your relations with Canada and the United States which would not be shared by any of the other colonies. There is the Frisco mail-service, for instance, which is of more importance to you than to the other colonies.

93. *Hon. Mr. Bowen.*] It is a very sore subject?—That may be, but you are nearer to America than we are, and therefore it affects you more than Australia.

ROBERT MACKENZIE JOHNSTON examined. (No. 208.)

94. *Hon. the Chairman.*] What is your official position, Mr. Johnston?—Registrar-General and Government Statistician of Tasmania.

95. Could you tell us the quantity of oats exported by this colony to Australia for the last three years?—Yes; for the last three years: 1897—137,683 bushels; value, £12,874. 1898—314,881 bushels; value, £36,623. 1899—865,831 bushels; value, £77,766.

96. How many acres are under cultivation in oats in Tasmania?—It has varied in the course of the last ten years from 20,740 acres to 59,500 acres.

97. Is there much suitable country available for increasing that acreage in Tasmania?—Yes; I think it could be doubled if there were any favourable market.

98. What is the average yield per acre in oats?—Taking the average yield for ten years the lowest was 21·79, and the highest was 38·17 bushels.

99. How many acres of hops are under cultivation in Tasmania?—651.

100. Is any barley exported from Tasmania to Australia?—Yes; in 1899 we sent 2,047 bushels, of the value of £360.

101. What about potatoes?—That is one of the best of our agricultural exports. We exported in 1899 45,663 tons, valued at £95,000. The acreage under crop in that year was 26,951, which was considerably above the average. For potato-growing a large amount of land is available, and we could more than double the production if required, especially on the north-west coast.

102. Are there many manufactories in Tasmania?—The mills, factories, and works that we deem worthy of tabulation are 251, employing 3,552 hands; 833 are employed in sawmills.

103. You have a very large export of fruit from Tasmania, have you not?—Yes.

104. To what port in Australia do you principally send it?—Principally to New South Wales. There is a duty against fruit in Victoria of 1s. 6d., and we only exported green fruit to the value of £8,394 to Victoria in 1899, while to New South Wales we exported to the amount of £90,934. Our exports to New Zealand amounted to £4,752, and to Queensland £3,942.

105. Do you think the effect of Tasmania coming under free-trade will be to increase the export of fruit, say, to Victoria and to other parts of the world where there were duties before?—I think that will be the case as regards Victoria and South Australia.

106. I suppose you know that Tasmanian potatoes are commanding the market in Australia, and that they are alleged to be of better quality than other potatoes?—Yes, their quality is always supposed to be excellent, even better than the New Zealand potatoes.

107. Your export, I believe, has been principally to New South Wales?—Yes; out of the figures I gave you £79,757 went to New South Wales alone, while the cost of handling would not be more than £6,000.

108. Now that the duty is removed from Victoria, is it likely that you will get a large market for potatoes in Victoria?—Yes.

109. Supposing New Zealand came into the Federation, do you think she would be able to compete with you in the matter of potatoes?—New Zealand is the only country that would compete with us, but I think Tasmania would be able to hold her own on account of her quality. I think, however, New Zealand would be able to command the oat trade; but that would not concern Tasmania much, as she does not export any quantity of oats. The farmer devotes his attention to potatoes and fruit, which pay him best.

110. *Mr. Leys.*] Is there any large amount of Crown land suitable for agriculture still uncultivated in Tasmania?—Yes; but the timber covers the land to such an extent at present that we cannot say definitely what quantity of the western country can be thrown open for agriculture.

111. Would there be any possibility of a sudden expansion in your agricultural produce?—I do not expect much. It would be gradual, with the exception, of course, of those already developed.

112. Do you import butter and cheese?—Yes; mostly from New Zealand. That is the exchange we can get for our fruit and timber.

113. Then, you are not likely to compete in the Australian markets in those two items?—We are improving considerably in the manufacturing of cheese and butter. Some of our lands are well adapted for dairy production, and attention is being paid by our dairy farmers to improving their methods and stock, so that I expect a great expansion in dairy produce will take place.

114. Do you import New Zealand white-pine at all?—Very little; mostly kauri.

115. What number of people are employed in the woollen-mills in Tasmania?—162.

116. What are the other principal industries?—Mining.

117. What woollen goods do you export from Tasmania?—Blankets, of which we sent away 630 pairs, valued at £487, and tweeds to the value of £121 in 1899.

118. *Mr. Reid.*] What is your principal market for cereals?—We have but a small export, and for the last few years we have only grown enough for our own requirements. We have sent oats to the Cape for the troops during the last year or two.

119. Which is the principal grain-growing part?—In the north-west, and also for potatoes.

120. And for timber?—The southern districts have the best supply—in the Huon district.

121. Are all these hardwoods?—Yes; and the greatest quantity is the stringy bark, which is used for building purposes. The black-wood (*Acacia melanoxylon*) is used for ornamental purposes, such as parts of railway-carriages, and internal fittings in desks and furniture.

122. What about the Huon pine?—It is largely used for household furniture.
123. And there is direct communication between the north-west and Melbourne?—Yes. The harbours there have been improved.
124. And potatoes are largely grown in the north-west?—Yes; it is the principal potato district, but other fine localities are Huon Island, Brown's River, and other parts in the south.
125. *Mr. Luke.*] Can you give us any idea of the wages paid in the engineering trade?—Yes; 7s. to 9s. a day; and for bootmakers 6s. to 9s. a day.
126. What is the amount of tin-production in this colony?—It has been as much as £426,326 per year—that is the export value; but last year's only amounted to £281,947.
127. *Hon. Mr. Bowen.*] Do you import malt?—No; we exported some to Victoria.
128. *Mr. Roberts.*] Can you tell us the cost of producing oats here?—No.
129. In reference to hops, is there much land under cultivation in hops?—Yes, and it has increased.
130. *Mr. Millar.*] What is the selling-price of Crown land suitable for agricultural purposes?—£1 per acre is the average upset price.
131. Would that be timbered?—Timbered or open; but very little of our land is free of timber, and a large portion is very hilly.
132. What are the hours of labour in the different industries?—Generally eight or nine.
133. *Mr. Beauchamp.*] I suppose you have not a steady market in Victoria for oats in view of the duty?—I do not think oats affects us very much, but fruit and fruit-pulp exports we expect to improve under federation.
134. Do you ever have any labour troubles here?—Rarely. The only one was the maritime strike, which was a sequence of the strike in New South Wales.
135. Is there an abundance of labour here?—They are having pretty good times now, as our mining industry has absorbed all the surplus labour, and improved the condition of other trades.
136. Have you any frozen-meat works here?—I think there is one in Hobart for the preservation of fish and game for the butchers, but we do not export meat. We import small quantities.
137. *Hon. the Chairman.*] Is there much wheat grown in Tasmania?—Yes; but principally for our own supply.
138. *Mr. Luke.*] Are there any iron-deposits in Tasmania?—Yes; there are very important ones in the west and north which have not been touched; there are also coal-deposits, not of first-class quality; and an abundance of limestone in the neighbourhood.

Hon. WILLIAM HENRY BURGESS examined. (No. 209.)

139. *Hon. the Chairman.*] I understand, Mr. Burgess, that you have resided all your life in Tasmania, you were a member of the Government, and for many years a member of the House of Assembly?—Yes.
140. You are a merchant in business now?—Yes.
141. Have you taken any active part in the Federal movement?—Generally speaking, I have. I was a member of the 1891 Convention, and I have taken an active part locally in advocating federation.
142. Are you satisfied with the present Federal Constitution?—On the whole, I am. It may possibly cause us a little local trouble for two or three years with regard to our State finances, but once that trouble is over we shall certainly reap very great benefits from federation.
143. What do you anticipate that trouble will arise from?—In a marked measure in Tasmania owing to the fact that such a large percentage of our revenue is derived from the Customs, and the Federal Government taking over all Customs and excise duties, and the revenue from the Postal Department, which have been credited in the past to the colony.
144. Of course, you understand that for ten years they must return to you 75 per cent. of that?—Yes.
145. Do you anticipate that after ten years they will keep the whole of it?—That is more than I can say. My alarm is only temporarily. It will take some little time for us to settle down, but unless we get a return somewhat near the amount we have been raising hitherto from the sources I have mentioned we have to face one of two things—either direct taxation or retrenchment.
146. Under the present financial arrangements do you anticipate that there will be a deficit in Tasmania?—I do, of from £120,000 to £170,000.
147. Can that be made up by any reasonable amount of taxation?—Not altogether. A portion will have to be met by economy and retrenchment; and you must not forget this important factor: that during the last three or four years we have been steadily paying off a very large deficit of nearly £500,000. That is practically wiped out now, and it has been wiped out by the surplus of revenue over expenditure.
148. In mentioning how you would have to meet your deficit, have you allowed for a normal expenditure on public works, or would they have to be retrenched or provided for by loan?—Our public works have been of a very limited character during the last three or four years.
149. Have you any local bodies in Tasmania?—Yes.
150. Do they get assistance from the Government?—Only partially. They are supported by local rates as a rule, and receive a subsidy from the Government in proportion to the amount they collect.
151. What advantages do you consider Tasmania would receive under federation?—The free interchange of products in the Australian markets—intercolonial free-trade. Under our Customs and excise tariff we are collecting at present £100,000 more than we require for our needs. Then, there is the general advantage we hope for by becoming a united nation; and there is the additional advantage of a common defence.

152. Do you think the administration of the various Government departments in Tasmania will be as satisfactory as if it were under your own local autonomy?—I know no reason why it should not be.

153. Do you think they will be as well administered from the Federal centre as locally?—I hope so.

154. Do you think that the different States of the Union fully considered what the financial consequences of federation would be before they entered into it?—Speaking for our own colony, I can say that that side of the question has been steadily before the public since the first inception—as far back as 1891.

155. Are your manufactures protected?—The only protected manufactures that I can call to mind at present that are any good at all are the woollen-mills, candles, boots and shoes, which are protected by an *ad valorem* duty of 20 per cent.

156. In the event of intercolonial free-trade, do you think they will be able to stand against the larger concerns of the continent?—The proprietors of two woollen-mills in the south, and one or two leading bootmakers, have told me that they would.

157. You say you were at a Conference in 1891 at which New Zealand was represented?—Yes.

158. Did you consider then that the arguments of New Zealand's delegates—that distance would operate prejudicially to New Zealand—were well founded?—I confess that it had a certain weight with me; but I did not think at the time, and neither do I consider now, that it should operate altogether against New Zealand throwing in her lot with the Australian Colonies.

159. Besides intercolonial free-trade, what advantage would New Zealand gain?—That would be the main gain, because the Australian markets would be thrown open to her produce, and if she declined to go in to a large extent those markets will be supplied by the federated colonies, and some of New Zealand's trade would pass away from her.

160. What produce does New Zealand supply now which could be supplied locally?—Produce of different kinds is regularly imported from New Zealand during certain months of the year into Tasmania, and dairy produce is also brought into Australia from New Zealand.

161. Is that not produce such as Australia, excepting in times of drought, can provide for itself?—We certainly cannot do so in Tasmania in respect to certain lines, such as butter, and occasionally cheese and bacon.

162. Do you think that Tasmania could not supply herself with these?—I do not think that Tasmania can supply herself with butter. Our climate prevents the dairy industry ever becoming a large or important one here.

163. You have a fair knowledge of the Crown lands in Tasmania?—Yes, fairly good.

164. Is there much land which could be available for extending the agricultural interests of this colony?—There are such tracts in different districts. For instance, there is a very large tract of country at the head of the Derwent Valley, which has been brought into prominence lately in connection with the proposal to construct a western railway, which would connect Hobart with the west coast, which would then be available for farming.

165. *Mr. Beauchamp.*] Under the Braddon clause, do you apprehend that Tasmania will have returned to her a sum equal to that which she is now receiving from the Customs?—No, I do not; and we cannot possibly hope for that, for two reasons: First, because there is the proportion which the Federal Government have the right to withhold up to 25 per cent.; and, secondly, on account of the certain loss we have to face in connection with intercolonial free-trade.

166. Do you think the Federal Parliament will continue, at the end of the first five years, to credit the excess duty to the State in which the goods are consumed?—It is very difficult to say. Five years is a long period to look forward to, and I should be very much better able to answer that question after the Federal Parliament has met.

167. The present value of our export trade to Australia is a million and a quarter, and it has been estimated that our share of the cost of the Federal Government will be about half a million: do you still think that, under those conditions, the advantages would be great enough to warrant us going in?—It would be a terrible price to pay unless there was something behind it.

168. As to the class of politicians that you are likely to get to come forward for the State Parliament, do you think that you are likely to get a better type of candidate than you have under Federation?—I am not going to express any opinion on that subject.

169. Did I understand you to say that you have here no system of assisting local bodies by way of loans?—Yes, we have, the principal and interest being repayable after a certain number of years by means of a sinking fund.

170. *Mr. Millar.*] As a matter of fact, do you think that your State Parliament will be as free to develop this country under federation as it would be as a separate colony?—I hope so.

171. Do you imagine that the State credit will be quite as good in the English market when the principal sources of revenue have been taken away from it?—With regard to that, you are probably aware that the desirability of pooling the whole indebtedness of the various States was mentioned prominently at the various Conventions.

172. But that has not been done?—No; that is one thing that provision is made for in the Act when the time is deemed fit.

173. You think the credit of the State will not be impaired with regard to future borrowing by virtue of the fact that you have probably handed over all your principal sources of revenue to the Commonwealth?—I think it will be a very good thing for us to be kept within bounds.

174. Do you anticipate that the Federal Government will be able to acquire greater powers than it holds at present?—I think it is quite possible it may.

175. Do you think there is any danger of their acquiring such power that in course of time it would be thought advisable in the interests of economy to wipe out the State Parliaments?—I should not like to express an opinion. I have not looked at it in that way at all.

176. Is it not within the range of possibility?—I would not say that. I think it would be a serious thing if we were deprived of our local State Government.

177. You imagine that the advantage to be gained from free-trade would compensate you for the loss you would otherwise sustain?—I do. Our local industries, such as timber, fruit, jam, hops, barley, potatoes, will be wonderfully developed.

178. Do you not think that the industries of the other colonies will be developed also?—I do not think they will be able to compete with us in certain industries I have mentioned. I have no fear of their competition in timber, fruit, hops, jams, and the like of that.

179. Are you replacing your timber as you cut it?—We have such enormous areas of timber that we can go on cutting for many years without any fear. This country is densely timbered.

180. Is not Victoria now a large exporter of agricultural produce?—Yes.

181. Therefore you would not look upon that colony as a good market for the same class of produce?—We do not export the same class.

182. You do not grow wheat?—No, only for our local requirements; but the area in oats is increasing rapidly, and that cereal will be taken up more widely in the future, as there is a good field for it.

183. Are you aware that during the last ten years more land has been put down in New South Wales for agricultural purposes than during the previous hundred years?—I quite believe that, because I know a good deal of New South Wales, and Queensland also.

184. Then, in view of these facts, do you still think that you will have a very largely increased market in those colonies?—I think it quite possible.

185. *Mr. Luke.*] Do you anticipate any disabilities in the administration of your public affairs on account of the distance?—No.

186. Do you think your Civil servants will receive the same consideration from the Federal powers as they would from their own State Government?—They anticipate that they will be placed at a distinct advantage after their transfer to the Federal Government.

187. *Mr. Leys.*] Do you think that the Federal Government will take over the railways?—That has been talked of. In the Convention the feeling was altogether one of uncertainty as to the wisdom or otherwise of taking such a step.

188. But they have made provision for it?—Yes.

189. Then, if the debts were taken over, as you suggest, what would be the course with regard to future loans? Would the Federal Government raise the loans, or the State Governments?—The debts would have to be taken over at *per capita*, and the advances would have to be on a *per capita* basis. If the Federal Government would make no further advance, the State would then have to look after their own individual loans if they wished to place them.

190. *Mr. Millar.*] How does your debt stand in proportion to the other colonies?—I think we stand at about £48 per head. We stand higher than Victoria, and lower than the others. Queensland or Western Australia is the highest.

191. *Mr. Leys.*] Do you think you can float loans on such a basis as that?—I think it would mean that we should have to be more careful in our borrowing, and that we should have to borrow to a greater extent locally than we have done in the past.

192. Do you think there would be any large surplus returnable to the States from their Customs and excise after the payment of the interest on the debts and the cost of the Federal Government?—As far as we are concerned, we would be quite content, I think, to cry "quits." Take the interest on our debt: it would represent pretty well the sum that we expect to get back.

193. In that case all the security you could offer for future loans would be in your power of imposing direct taxation?—Practically, yes.

194. Then you arrive at this position: do you think you could borrow anything like as largely, or as well, as you have been borrowing in the past?—No; I think I said before that I think we have borrowed too largely in the past.

195. With regard to your estimated loss of from £120,000 to £170,000, as you do not actually collect it, you only lose it from an estimated revenue point of view. You do not really pay the money?—No; because the intercolonial free-trade is responsible for the larger proportion of that loss.

196. Seeing that that amount of loss is not collected in Customs taxation, would there be much difficulty in distributing it through the various forms of direct taxation?—It is always difficult to place direct taxation on the people.

197. Did you not have at one time an income-tax here?—Yes; and we did not like it, and we got rid of it as quickly as possible.

198. But we have it still in New Zealand?—But you do not like it any the better for that, I am sure.

199. Then, if you find difficulty in raising £120,000 to £170,000 by direct taxation, would you not be very much crippled in carrying on your public works out of direct taxation?—We should be, unquestionably, because our borrowing in the past has been so heavy.

200. Under such circumstances, such schemes as we have been carrying on in New Zealand as the purchase of lands for settlement and advances to settlers would be practically impossible, would they not?—I am not sure about that, because you get back an asset in the shape of the land you purchase; but in parting with money for a certain class of public works you may obtain no return whatever.

201. But the first step is to raise the money in London, and the London creditor looks rather to the power of taxation than to the profitableness of these schemes?—That is so.

202. Then, if we were thrown entirely on direct taxation, do you think we could borrow the enormous sums we have been borrowing in recent years?—I do not think we could in Tasmania, but I am not so well conversant with your colony.

203. *Hon. Major Steward.*] What amount did your income-tax produce when it was in vogue?—Roughly speaking, about £40,000 a year.

204. I think there is some misapprehension as to some questions put to you with reference to the supposed annual deficit, which you estimated at from £120,000 to £170,000; but you explained, on the other hand, that you already collected £100,000 more than was actually necessary, which has been used to pay off your deficit?—Yes.

205. If that £100,000 is taken into account it follows, does it not, that your deficit will only be from £20,000 to £70,000?—Yes, clearly; so long as they keep the expenditure down, and the revenue keeps buoyant, that must be so and the people reap the benefit.

206. And this gap will be closed in one of two ways—either by reducing the expenditure or by raising more money by direct taxation?—Yes.

207. Then, assuming the deficit remained at from £20,000 to £70,000, the restoration of your income-tax would about settle that?—It would go a long way towards it.

208. *Hon. the Chairman.*] What advantage do you think would accrue from the Commonwealth taking over the debts as provided for in the Constitution?—We should be able to borrow at a much lower rate of interest as a federated Australia than we should as individual States.

209. You think that they might be able to borrow at a much less rate of interest, and therefore the Commonwealth would pay less for the money than the States?—Yes. I am in favour of the debts being pooled, and taken over on a *per capita* basis.

210. But you would not be relieved in any way of the interest upon your debts?—Clearly not.

HON. WILLIAM CROSBY, M.L.C., examined. (No. 210.)

211. *Hon. the Chairman.*] You are a merchant in Hobart?—Yes, connected with shipping.

212. Have you followed the progress of the Federal movement in Tasmania?—Not particularly closely. I am one of those who voted against federation.

213. Why are you opposed to federation?—Because I do not think it will suit Tasmania under the present Constitution.

214. What are your objections to it?—I think we are very much better off with the control of our own affairs. All that was necessary was to have enlarged the Federal Council previously in existence, and to have established intercolonial free-trade.

215. It has been objected that the Federal Council had no taxing-powers, and that there might have been a difficulty in procuring them?—I do not think so. It only required an effort to bring about such a change and it would have been done. I do not think any reasonable request at that time was refused.

216. I take it, then, that you do not consider the securing of intercolonial free-trade a sufficient compensation for Tasmania parting with her local autonomy?—I do not think so. I may be wrong—I hope I am—but I think much trade will centre in Melbourne and Sydney, and Tasmania will be simply what Geelong is to Melbourne.

217. You think that the importance of the States individually will diminish?—I think so, and that has been already shown by the way in which Tasmania has been treated by the larger States, and the remarks which have been made as to this being a small place unworthy of consideration.

218. But you have a representative in the Federal Ministry?—We have, but he is not a full member; and the remarks of Mr. Want and others have clearly shown that when it comes to a matter of importance Tasmania will be ignored, as she is not sufficiently powerful to make her voice heard in the councils.

219. Do you think that will arise through the comparative smallness of the population as compared with other States, or on account of your being an insular State at some distance from the continent?—Both.

220. Then, do you think that objection will probably apply to New Zealand also?—I do not compare New Zealand with Tasmania. New Zealand has such a different climate, such a different soil, and such a progressive people, that there is no comparison to be made between the two colonies. Here the best portions of the lands are given up to sheep-walks, and large areas are in the hands of a few people, whose selections were made in the early days, and are still held by their descendants. There are very rich soils in some places, and comparatively poor in many other parts.

221. Do you think there is still a large amount of Crown land not yet alienated and which would be available for agriculture?—I have not travelled much through the interior of the country, but confine my knowledge of Tasmania mainly to the coast. I am credibly informed that there are lands available in the interior which have not been properly explored, and before they can be brought into cultivation they must have roads or railways. That is a difficulty which will prevent these lands being available for many years to come.

222. Your Customs revenue having gone from you, how do you think Tasmania will get on in contracting loans for such public works as those?—That is a difficulty that will have to be met somehow.

223. *Mr. Leys.*] Do you think that under federation such industries as boots and shoes and candles will be dominated by the competition of the large industries of Sydney and Melbourne?—Yes; as the greater the production the cheaper the goods can be manufactured. There has been a failure here in the bootmaking trade recently, and prior to that another factory had to close in consequence of Australian competition.

224. *Hon. Mr. Bowen.*] I gather that you think the old Federal Council would have answered the purpose better than federation if it had been modified and the other States had come into it?—That is correct.

225. *Mr. Roberts.*] You said you would not compare Tasmania with New Zealand, but are your reasons for opposing federation in Tasmania applicable to New Zealand also?—If I were a New-Zealander I should say, "Stand alone."

226. *Mr. Beauchamp.*] You have been in New Zealand?—Only to Auckland.

227. Do you know the conditions prevailing in that province?—My principal connection with it is as agent here for the Shaw-Savill Company.

228. And, owing to the distance we are from the Federal Government, you would strongly advise us not to federate?—If I were a resident in New Zealand, with the knowledge I have to-day, I would rather stand alone than federate with Australia. You are less dependent on the Australian markets than Tasmania is.

Hon. Sir EDWARD BRADDON, K.C.M.G., examined. (No. 211.)

229. *Hon. the Chairman.*] You were formerly the Premier of this colony?—Yes; for five years and a half.

230. And for many years a member of the Legislature?—Yes.

231. And you attended some of the Federal Conferences in Melbourne, Sydney, and Adelaide?—I was a member of the Federal Convention in 1897 and 1898, and attended a Conference of the Premiers of the different colonies in January, 1899.

232. Therefore you took an important part in the framing of the present Constitution?—I think I might say that I did.

233. Are you satisfied with the Constitution as it at present stands?—Quite satisfied. I do not say that in every respect it is exactly as I should have wished it to be, but legislation is largely a matter of compromise, and I am quite satisfied with the compromise which was made—it was generally beneficial.

234. Do you think federation will be an advantage to Tasmania?—Most decidedly.

235. In what way will she gain?—By the throwing open to her of the Australian markets, and by the development of her industries and trades which will result from that industrial expansion.

236. How do you think the public finances will be affected by federation?—Of course, that depends a great deal on the uniform tariff; but I am very hopeful that we shall obtain a tariff such as the Free-traders may honestly accept which will give us a sufficient revenue to meet our local demands. In expressing that view I know it is opposed to the views of the Government Statistician and to the Treasurer. However, that is my opinion.

237. What tariff do you consider would be necessary to bring about the result—an 8½-per-cent. tariff, or more or less?—I prefer to put it rather as to the amount of the *ad valorem* duties we should prescribe; and I think that, taking the specific duties that already exist in regard to Customs and excise on beer, wine, spirits, tea, sugar, tobacco, cigars, and cigarettes, we should with a 12½-per-cent. tariff on all the rest of the imported commodities (excepting, perhaps, luxuries, such as jewellery and plate, which might very well bear, in my judgment, a higher duty) get on very well.

238. Do you think the industries of Tasmania would benefit under federation?—Yes.

239. Do you think they will be able to compete successfully with the large industries on the mainland, and which can command so much larger capital?—I think in all probability that a great deal of capital will be drawn away from the mainland to Tasmania by reason of our greater advantages in the way of water-power and climate. That is the case with regard to the woollen-manufacture now. Owing to the superior quality of the Tasmanian water—not the water-power, but the superior quality of the water—Tasmania has for the last few years been sending woollen goods into Victoria in the face of a 30- and 40-per-cent. tariff, and when we have inter-State free-trade that trade must expand.

240. Are you aware what the total export of woollen goods from Tasmania was for the year 1899?—I cannot tell you that, but I can tell you from a reliable source that there are more orders for woollen goods waiting for our manufacturers than they can supply.

241. We have it from the Government Statistician that in 1899 the value of the woollen goods exported from Tasmania to Australia amounted to about £608. What other advantages do you think will accrue to Tasmania through federation?—In respect to defence, she would gain an immense advantage, because the Commonwealth would have to take proper precautions for the defence of a State which is peculiarly open to attack, and which if it were held by an enemy could be made the base of operations against any point in Australia, and consequently a menace to the whole of Australia.

242. Do you think that Tasmania is likely to suffer in respect to the administration of the public service by reason of her distance from the Federal capital?—I do not think so.

243. Under the clause known as the Braddon clause the Federal Government have the right to retain not more than 25 per cent. of the net Customs and excise revenue for ten years, or for so long as Parliament may thereafter direct. Tasmania loses that amount of her Customs revenue, and how is she going to make up the loss?—It must be remembered, to begin with, that Tasmania is at the present time collecting more revenue than she actually requires. We have been paying off a floating debt (which is now nearly effaced) at the rate of from £80,000 to £100,000 a year, and our Customs revenue has been collected in excess of current requirements to that extent: and then the greater part of the expenses which will fall upon our share of the Customs revenue will be for services transferred, for which we have had to pay as long as they have been under our own immediate control.

244. After the expiration of ten years is the Federal Government, in your opinion, likely to retain the whole of the Customs revenue for Federal purposes?—I do not think so; but I hope that not very long after the end of ten years all the State debts will be transferred to the Federal Government, and that then very little will be required to be returned to the States in the shape of Customs and excise duties, because that revenue now is practically chargeable and ear-marked for the payment of our interest. Under that clause of mine, which you were good enough to call a "clause," but which in Sydney they still call a "blot," the Federal Government can take as much from the Customs and excise revenue over and above one-fourth as may be required to pay the

interest on any State debts transferred. I do not think the smaller States will assent at the end of ten years to any such radical change in regard to this particular clause as would be made if the clause were repealed or allowed to drop.

245. The clause was proposed by you, was it not, for the purpose of protecting the small States?—Yes, for the purpose of insuring that the smaller States should have at least three-fourths of their Customs and excise revenue returned.

246. And they called your clause that you have mentioned “the Braddon blot”?—Yes, not understanding the terms properly.

247. But apparently those who called it so desired to get hold of all the securities which you have secured to the States by having three-fourths of their Customs revenue returned to them; and if it had not been for that clause probably the whole of the Customs revenue of the States would have been taken by the Federal Government?—It might, and also a rebellion might have taken place.

248. Was that feeling shared in Victoria or not?—No; the Victorian members voted for it solidly.

249. But not the larger State of New South Wales?—I think that New South Wales statesmen might very well grow accustomed to the operation of this clause, the operation of which will be modified from time to time as the debts are taken over. I think the Hon. George Reid, who was opposed to it at the outset, is now prepared to accept it. Sir William Lyne highly approved of it when I moved it, and supported it. He was the one New South Wales representative who did.

250. What advantage do you think New Zealand would gain by joining the Commonwealth?—She would gain those trade advantages which I pointed out as likely to accrue to Tasmania, and I think that for New Zealand it would be a great thing, inasmuch as federation would secure such a complete union amongst all the British Powers in these regions as to insure what the majority of us desire to see—namely, the proper control of the islands in the Pacific. I think the Home Government when it had to deal only with one large Government would be disposed to go a great deal further than they are disposed to go now in regard to annexing—if you like to speak of it in that way—or exercising State control over those islands which are not annexed to Europe. It would insure the absence of friction between the Commonwealth and New Zealand, and there would be no conflicting claims which the Secretary of State could regard as reasons for not adopting the bold policy which some people desire to see carried out.

251. Do you think that securing the advantage of free-trade is sufficient justification for a colony like New Zealand giving up its local political independence?—I think it is a factor to be reckoned with, although it does not entirely dominate the question. I think that and other advantages would recompense her for parting with some portion of her political independence. The trend of events all over the world is in the direction of forming large Union-Empires, and I think—of course I speak with very considerable diffidence, and with a great ignorance of New Zealand’s ideas and wishes—that in the course of time New Zealand must inevitably become a part of the Australian nation, and cannot possibly remain a separate community, still under the British flag presumably.

252. Do you think there is any probability at any very distant time of the Commonwealth of Australia becoming a republic?—God forbid!

253. Are there not those in Australia who favour it?—I think that feeling has entirely died out. It did exist to some slight degree, no doubt; and it also existed in New Zealand, for when I was Agent-General in London I read a paper before the Colonial Institute in defence of Australia, and that was one of the points I had to take up—the alleged disloyalty all through these colonies.

254. *Hon. Mr. Bowen.*] Through New Zealand?—Even in New Zealand.

255. *Hon. the Chairman.*] How long ago was that?—Eleven or twelve years. My paper was a reply to three or four writers who had defamed these colonies by declaring that they were disloyal, that we intended to repudiate our debts, and that our financial position was rotten all through; and I heard sane men of business, men in the great financial world of London, argue that it would be a good thing to appoint a committee or a board of control to regulate our finances, so that their securities might be made the safer. At the present time I never hear a breath that has about it even the slightest tinge of disloyalty against the Mother-country. Here we have a Constitution which is the most liberal in the world, and whose highest boast is that it is a Constitution under the Crown.

256. Do you think there is any probability of the States being absorbed by the Federal Government in course of time?—No.

257. *Mr. Beauchamp.*] Do you think that the chief objection on the part of New South Wales to the Braddon clause is owing to the fact that under federation she will be compelled to raise one million more per annum than she did prior to federation?—I have no doubt that operated at the time, and since the clause was passed Mr. Reid has admitted that New South Wales has got to raise one million more by way of Customs than she is collecting now, and I have no doubt that is the chief objection to it.

258. Do you think the debts of the States are likely to be taken over by the Commonwealth?—At the earliest possible moment, I should think, because there is no doubt that when they are taken over they can be converted at a lower rate of interest, with a saving of something like $\frac{1}{4}$ per cent., which would mean, on all our debts, when the whole conversion was complete, something like a million a year.

259. Several of the leading men we have interviewed have expressed the opinion that in the event of our federating with the Commonwealth friction is bound to arise sooner or later with respect to the control of the South Sea Islands. I judge from your remarks that you entertain almost the same view?—I should be very sorry to say anything about friction arising, but it is quite possible that friction will arise, and that it will be used as a weapon against not only New

Zealand but Australia by the Secretary of State. When a request was made for an island to be put under British protection by either Australia or New Zealand the Secretary of State might very well say, "No, I cannot do it; there is such a difficulty between Australia and New Zealand that it is impossible for me to move in the matter"; but I hope such friction is improbable.

261. *Mr. Millar.*] Do you think the industries of Australia could be built up under a 12½-per-cent. tariff?—They have had a very fair start in some cases with a 30- and 40-per-cent. tariff, and ought now to be sufficiently built up to be able to run alone on such moderate protection as they would get under a 12½-per-cent. tariff and the incidental charges. Twelve and a half means a handicap of about 17½ to the outside manufacturer.

262. Are you aware that the difference in the wages paid by the Australian Colonies and those paid in Germany and England is considerably more than 17½ per cent.?—I recognise that, and I would not take those two countries into account, inasmuch as Germany does not pay anything like the wages they pay in England.

263. But, still, the market will be thrown open to Germany, as there is no undertaking to give special consideration to British goods?—There should be, inasmuch as when the Premiers met Mr. Chamberlain in the Jubilee year all, with the exception of Mr. Reid, pledged themselves to support a tariff which would give a preference to Great Britain. Mr. Reid said he could not do it, because his tariff did not impose duties on anything imported from Great Britain, but whenever it happened that a tariff was introduced imposing duties on British commodities he would support the proposal to give British goods the preference. That is to say, we all pledged ourselves to it.

264. Do you not think that the inevitable result of federation will be to centralise capital in all the large centres of population?—I do not think so.

265. Has not that always been the case in older countries?—I do not know of any example that would make us fear that consequence here. For example, I believe capital would be largely drawn to this centre by reason of the advantages I have pointed out.

266. So that you do not fear any competition from the Australian industries with a 12½-per-cent. tariff?—I do not think so; but then I am a Free-trader—a Free-trader who recognises that under a Protectionists' tariff you do not get your revenue, because protection means prohibition if it is to be effective protection.

267. Then, it comes back to the single-tax?—I have not come to that yet.

268. Do you consider the credit of the States may be affected in regard to future borrowing by reason of the fact that the Federal Government have the first call on certain revenues?—No; I think my clause protects all the States.

269. For ten years?—Yes. Originally it was carried to be a standing clause only to be altered by an amendment of the Constitution.

270. But they have taken away the postal revenues as well?—Yes.

271. In the event of Australia going in for penny-postage, will not that bring about a larger deficiency than at present exists in the Postal Departments of the various colonies?—There will be, of course, a considerable reduction in revenue at the outset, but I quite expect that the expansion in business in the Post Office will compensate for that, and past experience justifies that belief.

272. Do you not think the people, as they gradually see the powers of the State Governments being absorbed by the Federal Government, will clamour for the abolition of the State Governments?—I do not see how there will be any such growth of the power of the Commonwealth Government, because the Constitution absolutely limits that power. There are certain functions and services which are transferred to the Federal Government absolutely and exclusively, and there are other functions and duties which might either be performed by the Federal Government or by the States. Old-age pensions is one of them. The Commonwealth can go in for such a scheme and so can the State.

273. But the subjects which they have been given power to legislate on are amongst the most important things they could legislate about?—Some of them are of the highest importance, others not so; but, as to all, the national Parliament can legislate more effectively than the State Parliament.

274. Do you not think that what I have mentioned is within the bounds of possibility? We had the experience in New Zealand on a small scale that the people clamoured for the abolition of the provinces and for a unification of the governmental power?—Well, I do not see that anything I could say on that point would be of any particular value. We know that the people at every opportunity will cry out about something or another, and they might as well cry about that as anything else.

275. But the New South Wales Press is already advocating the same thing, and pointing out that the whole of the work should be done by one Parliament: have you noticed that?—I do not think the people of the States will accept that if they give the matter calm consideration. They greatly value their autonomy and wish to maintain it, even against the temptations, or in spite of the necessity, to reduce expenditure. I have no doubt there will be a movement to reduce expenditure, and perhaps even the salaries of members of Parliament may be reduced, although it is rather hard work to do that on account of the difficulty of getting members to vote for a reduction in their own case. I have no doubt, however, that will come.

276. Turning to social legislation, are you aware that we in New Zealand have legislated considerably in advance of any of the other colonies in that respect?—Yes, or anywhere else.

277. In the event of our joining the Federation, do you think it would be possible for New Zealand to retain that legislation on her statute-book and to successfully compete with other colonies who have only a restricted legislation?—I am not acquainted sufficiently with your legislation to enable me to give an answer to that question which would be satisfactory to myself, but I cannot understand why with the limited power given to the Federal Government by the Constitution there need be any such interference with your local legislation as would be resented in New Zealand.

278. No, it is not in that respect I mean; but our manufacturers are bound down by legislation which to a certain extent is restrictive, although it is not felt to be so. I have not found these restrictions existing to any great extent in Australia. Would not our men suffer in that respect if we federated?—They have a very stringent law in Victoria to prevent “sweating.”

279. But would it not be impossible for New Zealand to maintain that legislation and to compete with manufacturers in respect to whom such restrictions did not exist? We have the Workers' Compensation for Accidents Act on the same lines as the English Act?—We are very close to having the same legislation as they have in the United Kingdom in that matter. We are going in that direction.

280. Well, that Act practically means with us compulsory insurance for the employé, and then we have an Arbitration Court, which fixes the wages and the hours to be worked in the factories?—Yes.

281. *Hon. Mr. Bowen.*] You refer to the effect of New Zealand standing out, but I presume you only meant in regard to the South Sea Islands?—Yes, with regard to those islands, which are very frequently the source of friction and trouble. I said the general wish was for the expansion and the consolidation of the Empire.

282. Whether New Zealand joined or not she will still belong to the Empire, will she not?—Yes, but not to the nation of Australia.

283. Do you not think that the main thing is the connection of the colonies—of the whole British race—with the Empire?—Yes; I am one of the believers in Imperial federation, and I think the union of New Zealand with Australia would be a step in that direction.

Mr. Beauchamp: It would hasten the Imperial zollverein.

285. *Mr. Luke.*] Do you think these outlying States have the same community of interest with the continent as those on the continent have with one another?—I hope to see them with the same community of interest.

286. Will not the strip of water always be a bar against that?—I do not think so.

287. For instance, one reads very little in the Australian papers about Tasmania now?—Tasmania is not a large place.

288. And we read little about New Zealand in Australian papers: does not that show a want of community of interest?—I think we all take considerable interest in New Zealand on account of its advanced legislation and its splendid progress, but I think you will find that there is frequently more interest taken in the “parish pump” than in the largest affairs of an Empire.

289. Is not a trans-continental railway and irrigation-works talked about, which would more particularly affect the continental States, but not such insular States as Tasmania and New Zealand?—They have talked in a dreamy sort of way about a trans-continental railway, but I do not know whether the Federal Government will undertake such a work, or whether they have the power to construct irrigation-works. Of course, they can undertake the railway-construction in any State with the consent of that State. But I take a very wide view of these things, and consider that what is good for any one part is good for the whole country.

290. Do you think it is possible to preserve a “white” Australia?—That is a very big question, but it depends, to my mind, upon whether the sugar-cane can be grown or handled properly by white men. If it is, as some people say, impossible for the white man to work on the sugar-cane, I say get a darker-coloured person.

291. Rather than sacrifice those interests?—Yes, and the lives of white men. I have my own views on that point, formed by my experience in India. Instead of getting these kanakas (as to the method of whose engagement there is a great deal that is undesirable) I would like to see the Indian coolies employed, who are sent out under the control of the Indian Government, which prescribes the conditions under which they are to be paid, cared for, and finally returned to India.

292. From your experience in India, do you think it is possible to carry on the cultivation of sugar in Queensland without employing coloured labour?—I have had considerable experience in India, and none in Queensland, but if the Northern Territory is what I imagine it to be I do not think it is a fit place for a white man to work in.

293. *Mr. Leys.*] Do you think if the Federal Government took over the debts they would also take over the railways as part of the assets against those debts?—I think there is a tendency that way, although it is not such an easy operation. The debts will have to be taken over, as the Federal Treasurer can get them converted in London, and, although you can take over debts of a million now and a million at another time, you cannot take over a railway a mile at one time and a mile at another.

294. But if they assume the responsibility for the debts at one operation cannot they convert them as opportunity offers?—I do not know exactly whether the Federal Treasurer would be pleased to handle these debts until he could effectually dispose of them by reducing the interest-charges; and, of course, if they take over the debts absolutely, it might follow at once that they take over the railways too; but there is a great objection which was felt in the Federal Convention to allowing the Commonwealth to take over these debts at once—until they had seen their way to getting them converted—because the profit to be made out of conversion comes after the Federal Government takes the debts over. The great point with the investor in England who holds these securities is that there will be extended security given by the whole of the Commonwealth, and not by a single State, and that security becomes his the moment these debts are transferred, although the Federal Treasurer might not be in a position to place them. But if the Federal Treasurer goes to the financial people in London and says, “I have got ten millions of these 3½-per-cents inscribed stock: what will you convert them at?” he would only effect the conversion on such favourable terms as I have indicated. We had a division in the Convention on the subject; some were for at once taking over the whole of the debts, or, at any rate, up to £42 per head of the population, but by a majority of eight that proposal was thrown out, and it was decided to give the

Federal Treasurer the power, with the approval of the States concerned, to take their debts over as opportunity offered, and therefore the security of the whole Commonwealth will never be given until the debts are actually handed over.

295. Do you think the extra security given by a Commonwealth guarantee will be sufficient to induce the holders of high-price debentures to make any great sacrifice in interest?—There are other reasons, and one that presented itself to me when I was Agent-General in London was that the Commonwealth stocks would be more valuable than the State stocks individually are, because it would be possible to place them, just as it is to place Consols, at an hour's notice, while it is not possible to do that in the case of State stock. That is one great point with the bulk of investors, because, of course, a large quantity of our stock is held by people only for from day-to-day purposes, it being often necessary for them to realise on this stock at a very short notice; and another thing is that they would stand on a higher plane in regard to the investment of trust funds.

296. To what extent now in point of interest do you think facilities for conversion would be offered by the holders of existing debts? Would it amount to $\frac{1}{2}$ per cent.?—I think so; and that is the answer of several who have had experience, both as Australians and of the London money-market.

297. Do you think it probable that the Federal Government would ever take over debts without taking over the railways also?—I think they will be made to take over the debts at once in their own interests, in order to save that $\frac{1}{2}$ per cent. interest-charge, which would mean a very large indirect revenue to them. If they could save £1,000,000 a year that would be a tangible asset, which they might do very much with.

298. Do you think that after such consolidation the States could borrow with any advantage on their own securities?—I think some of them would.

299. Do you think their loans would be depreciated from the fact that the Federal Government had taken away the bulk of their revenues?—I do not know that they need be if the State were fairly prosperous and the British investor took the trouble to inquire as to its condition.

300. Do you think their securities would be any better than ordinary municipal loans?—I should hope so. I should look at the local government of one of these States as something more than the glorified municipalities that the States of Canada are. It would be a country run by a Governor, two Houses of Parliament, and it might have a Government with very considerable wealth at its back.

301. Do you think there would be any difficulty in getting good representatives from a distant colony like New Zealand to go to the Federal Parliament, or that, if there were any difficulty, it would tend to produce professional politicians?—I think your Parliament is rich enough in men with a ripe knowledge of public affairs to provide a sufficiently good class for the Federal Parliament. I do not know New Zealand, and, unhappily for myself, New Zealand is surrounded by water, which always makes a point of being very rough.

302. You think, then, there is a substantial difference between a sea division and a land division?—There is a substantial difference always in the stretch of ocean which separates New Zealand from Tasmania; but my answer to your previous question is that I should think that the difficulty would not be experienced in New Zealand, where you have men of means and leisure. Of course, it very much depends on that, as many men are not in a position to leave their homes and spend three months of the year in Melbourne.

303. Do you think the Civil Service would be equally as efficient if directed from the Federal capital?—I do not see why it should not be if they get good men who are capable administrators. I am guided by my Indian experience in that respect, where one sees the most perfect form of administration directed from Simla, right up in one corner of that tremendous territory.

SATURDAY, 30TH MARCH, 1901.

ROBERT MACKENZIE JOHNSTON recalled. (No. 211A.)

304. *Hon. the Chairman.*] I omitted, Mr. Johnston, yesterday, to ask you to give us your views on the financial aspect of the question of federation, and the Commission will be glad if you can tell us how the finances of the States will be affected by federation, and also how the finances of New Zealand would be affected if she joined the Federation?—After passing over your revenue, and making allowance for the expenditure you save on the departments transferred, New Zealand would require, I think, to make good a shortage of £2 3s. 8d. per head. One estimate I made of the shortage came to £1,438,000, but a large portion of that will be returned by the method which insures that a certain amount must be returned by the Commonwealth in the proportion of three to one. It is familiarly known as the "Braddon blot," and provides that out of four parts three would be returned to the States.

305. Assuming that we get back the 75 per cent. of the Customs, what do you think would be the shortage in the case of New Zealand then?—I have not made it up with respect to New Zealand, but I shall be very glad to forward it to you. [See Appendix.] As New Zealand stood out of the Federation, my calculations were confined to the six colonies only.

306. Have you any objection to making us a table showing the amount of revenues transferred in all the States for the years 1899–1900, and for New Zealand separately?—I will give you the latest figures available. [See Appendix.]

307. And also the expenditure transferred in the case of defence, postal telegraphs, Customs?—I will do so.

308. Do you think the States did not sufficiently consider the fiscal question before going into the Federation?—They have admitted so. I considered that they ought to have looked more

carefully into the fiscal questions in order to see that while certain functions were left to the States they were also left the power to carry out those functions successfully. In addition to that there is this fact: supposing we desired to project a great system of roads, or railways, I question whether, in the crippled condition we should be in, any person would be justified in lending us any money without the consent of the Federal Government; and that is where I see the difficulty that threatens in the near future—that is, the advantage of belonging to a Commonwealth, and all those disadvantages which have made the question so disturbing a factor in Ireland in regard to the real or imaginary evils arising from a lack of home rule.

309. Are you of opinion that the smaller States will not be benefited by federation?—I am of opinion that until this fiscal matter is better understood there will be a great deal of difficulty.

310. *Hon. Major Steward.*] Practically, your opinion is that federation was necessary to the carrying-on of the functions of colonisation as regards the individual States?—All the smaller States that have not the same elastic power in regard to their finances as New South Wales has with its vast revenue from land-sales, and, better still, its land rentals. Another condition is that no two countries at the same point of time can be in the same position as regards how far it is necessary to impose taxation per head. The United States at the present moment can better protect herself, as regards a protection policy, with 9s. per head than New South Wales can carry on her government by a free-trade policy with a certain amount of Customs and excise up to £2 per head, and better than we could have done it by imposing taxation to the amount of £2 2s. 6d. per head. But the United States gradually lessens her tax per head, because her population grows at a greater ratio than the necessary cost of government.

311. In the event of a State proposing to undertake a large local work, such as the construction of a railway necessitating borrowing, what is your opinion as to the effect on its credit in London would be the fact that it was only a State of a Commonwealth, instead of being an independent colony: would it be able to borrow as favourably on its own resources as it could before the Commonwealth took over part of its revenues?—Not if the investor knew our condition, and he would be likely to know it.

312. Then, not only would the States lose largely the power of initiative with regard to local works, but also, if they proposed to borrow, they could not borrow on such favourable terms?—I do not say all the States, but those that are in a disadvantageous position, as in the case of some of the smaller States.

313. *Mr. Leys.*] Do you assume that under the lower Federal tariff the whole of the Customs revenue will be pretty well absorbed for Federal purposes, and that the demands for the payment of interest on the existing debts and for future loans will have to be entirely met from direct taxation?—The existing Constitution provides that the Commonwealth may take over the debts, and if it does take them over each State must pay its own interest as at present, so that the smaller States are not materially benefited, excepting that they change the State creditor for the Commonwealth creditor, who is more closely affected by the adversity or decadence of any of the States.

314. You have not worked out New Zealand's position sufficiently to say what proportion of Customs revenue we should lose?—At present you have a very large surplus, and you would require to lower your taxation to your needs before you can talk about your actual needs; still, your surplus is always available to you to make up your past indebtedness, and you would lose that surplus. I find that your shortage, independent of that surplus, would be £2 3s. 8d. per head on the basis of last year's statistics.

315. Assuming that the total amount raised by the Commonwealth would be £8,500,000, that seems to be about the figure?—Do you mean to include New Zealand in that?

316. No; I mean on that basis could you work out for us what our probable shortage would be?—I do not know how they have made it up to £8,500,000, because not many weeks ago it was said that £6,000,000 would be sufficient. I estimate that about £7,500,000 at least will be required to be raised yearly as Customs and excise revenue by the six federating States. The other question is whether the standard of living in New Zealand would be lowered. You have such a heavy Customs and excise tariff that it affects the consumption, and if your consuming-power was below the average now it might be raised when products were cheaper. The Australian Colonies' success in the past has largely depended upon the freedom and power that each State had in making their own laws, and in working towards their own ends.

317. You think that complete fiscal control is necessary to the conduct of colonisation as we have hitherto conducted it in these colonies?—I think for the States that are behind in the race it would have been better if they had maintained home rule a little longer, and I consider that inter-State free-trade could have been attained under the present powers while preserving local control over State finances.

318. *Mr. Roberts.*] Do you mean that £2 3s. 8d. per head is the proportion per head of the shortage that New Zealand would require to find?—That would be the amount that New Zealand would require to expect as a return from the surplus, and if they returned you £2 3s. 8d. you would be just where you are now.

319. *Mr. Millar.*] In regard to the conversion of loans, as a financial expert do you see any great advantage to the colonies from a general conversion of their loans?—A very great advantage if it had taken place some nine years ago, when I gave them a plan whereby nearly one million could have been saved to the whole of the colonies; but since that time the higher-rated loans have been running out, and they have been renewed at much lower rates, so that you cannot expect the same advantage now; but, still, there would be an advantage in their being consolidated. As regards the development of the country in the future, I see a danger in that the Commonwealth has taken away the power which hitherto enabled each State to make and extend its roads and railways while still leaving with the States the responsibility of maintaining them. If they took over the railways with the debts, then the interests of the smaller States would not be in the same danger.

320. What rate of interest do you anticipate getting in carrying out this conversion?—3 per cent.

321. Then, there would not be any advantage to New Zealand as a State, seeing that she is already getting her money at 3 per cent.?—The question should not be looked at so much from the standpoint of the present moment as from what the all-round effect would be in the near future.

322. Do you anticipate that money could be borrowed by the Commonwealth at a lower rate than 3 per cent., or will be borrowed lower than that?—I believe if matters go on as they are doing—that the credit of the Commonwealth improves—money may be obtained effectively at a much lower rate.

323. *Mr. Beauchamp.*] With respect to conversions, has it been practically demonstrated that there is any real saving to a country by conversion after you have made proper provision for the premiums demanded by the holders of stock prior to surrendering?—Yes, it has been so demonstrated.

324. Looking at the matter simply from a commercial standpoint it means this, does it not : that you are practically transferring the responsibility from the people of to-day to the people of the future?—A reasonable share of it. It is not transferring a burden to ask those who are going to derive far more benefit from loan expenditure on railways, bridges, roads, &c., than you yourself to bear a reasonable share of it.

325. In respect to the statement which you are going to prepare for us, will you disregard the sum that we might require to claim in respect to the interest upon the properties transferred with the departments?—I think it would not be an advantage to you to deduct that amount, because it would simply form a new element of expenditure on the part of the Commonwealth, and would have to be shared in by each State.

326. *Hon. the Chairman.*] In reference to the possible difficulties you have mentioned that the smaller States might experience in respect to their finance, there is a provision in the Constitution Act to the effect that for a period of ten years after the establishment of the Commonwealth, and thereafter until the Parliament otherwise provides, the Parliament may grant financial assistance to any State on such terms and conditions as the Parliament thinks fit. Apparently they have recognised the difficulties you have mentioned?—That was one of the concessions made when some few years ago at Adelaide I analysed the effect in one of my pamphlets of the financial clauses, and it so impressed some of the members of the Conference that this clause was introduced in order that the Commonwealth, if any State was in a difficulty, could make the deficiency good. But what would arise if such colony got into that position because of defective management, and called on all the other States for assistance? Are the smaller States going to help it? Such matters will cause friction.

327. *Mr. Millar.*] Are you aware that trustees in Great Britain can invest in New Zealand stock?—I have heard that such is the case.

328. Would that have any effect on the price of our stock in the London market?—Yes; of course it would be a set-off against any other matters that were affected in their minds although not in ours.

329. *Hon. Mr. Bowen.*] How is it that Tasmania, with its climate and other advantages, is importing dairy produce from New Zealand?—I have been asking our farmers the same question. We have some very fine dairy lands, but they have not hitherto been paying sufficient attention to the dairy industry in the light of modern science, but now they are getting experts to teach them, and I am hopeful that in that respect we shall improve.

330. *Mr. Reid.*] Is it through the want of natural advantages, or want of industry on the farmers' part?—I think that possibly we have a lot of small people engaged in the industry who have not the means to carry out modern ideas. The climate is very favourable.

331. Is there plenty of good dairy land up the Derwent?—Yes. I think that in the next few years things will rapidly improve.

Hon. NEIL ELLIOTT LEWIS, M.E.C., examined. (No. 212.)

332. *Hon. the Chairman.*] You are the Premier of the State of Tasmania?—Yes, and Attorney-General.

333. And you have been a member of the Tasmanian Legislature for some years?—Since 1886.

334. What part have you taken in the Federal Conferences and Conventions?—I was a member of the Convention which framed the Commonwealth Bill, and I was also a member of the Federal Council, and attended its last meeting.

335. And you are also a member of the Federal Cabinet?—Yes, without portfolio.

336. Are you satisfied with the provisions of the Commonwealth Bill in regard to the smaller States?—Yes. The whole question is a matter of compromise. We would have preferred to have had some alterations, but we could not get all our own way, and I personally was quite satisfied to recommend the adoption of the Commonwealth Bill to the people of Tasmania, and I worked as hard as I could in that direction urging them to vote "Yes" on the referendum.

337. You think that federation will be an advantage to Tasmania?—Yes; in particular having free ports for many of our staple products in the other colonies will be a great advantage. I might particularise timber, potatoes, fruit, jams, and some classes of cereals.

338. How do you think the finances of the smaller States will be affected by federation?—There is no doubt that we shall have some difficulties to contend with for a few years, but I feel convinced that they will right themselves in time. A year or two in the life of a nation is a very small space of time, and all our troubles will be overcome in due course.

339. What do you think will be the effect on the manufactures of the smaller States?—I look forward to Tasmania becoming a very important manufacturing centre, as we have so many natural advantages—a great water-power and a good climate.

340. You do not fear being dominated by the larger concerns on the continent, which command capital?—I do not fear but that any of our manufacturers now established will be able to hold their own.

341. How do you regard the surrendering of the legislative independence of the States?—It is only a modified surrender. We only surrender such matters as are of general common concern, and we retain to ourselves very important functions. Our railways, Crown lands, mines, and all questions of production, and the producing interests remain with us. Our timber industry is another, and also our fruit industry, and all those remain with us for our local Parliament to deal with.

342. You look forward to the Federal Government constructing the railways?—Not in Tasmania.

343. But on the continent?—It is quite likely that they may construct one or more main trunk lines in course of time.

344. And, if so, do you not think that the policy will be forced upon them through inconvenience and other matters of taking over the State railways on the continent?—I question that very much, excepting the main trunk lines. In all these States railways have been constructed to develop the property of the State rather than to provide an absolutely paying and profitable investment.

345. Do you not think that the necessity for obtaining uniformity of tariff will cause the Government to acquire the State railways on the continent?—I do not think they will acquire all the State railways. I do not think they will acquire more than the main trunk lines, and I do not think the States would agree to hand over all their railways with, possibly, the right of constructing further State lines.

346. How do you think the smaller States will be able to make good the deficiency which will be caused by the Federal Government retaining 25 per cent. of the Customs revenue?—Of course, if they retain the full 25 per cent. we should get so much less returned to us, and it would mean that we should have to raise very much more by direct taxation. At the same time, I cannot think that for some years, at any rate, the Commonwealth Parliament will require anything like 25 per cent. of the net Customs revenue.

347. Do you think the insular position of Tasmania will be any disadvantage to her in Federal matters?—I cannot think so.

348. In reference to the colony we represent, how do you think distance would affect us supposing we were to join the Commonwealth?—I speak subject to correction, but I do not think you are further away from Melbourne or Sydney in point of time than Western Australia is.

349. Do you not think that the long sea-distance of New Zealand from the mainland would be detrimental as affecting the administration?—I hardly think so. So much is now done by cable that it seems to me that whether you are on the Continent of Australia, or four days away, you would be in constant touch with the centre of the Commonwealth.

350. What advantages do you think would accrue to the Colony of New Zealand by her joining the Commonwealth?—As far as trade matters are concerned, I am not sufficiently conversant with your trade to answer definitely, but I should think that, in regard to all the products we send into other States, you would be able to send them in also. It would depend naturally upon the tariff imposed whether there are to be preferential duties given to English colonies or not; but the main advantages that I see would be that you would form part of one nation in the Southern Hemisphere rather than stand alone and remain isolated.

351. What is the principal advantage in the formation of a single nation?—I think the union of these colonies must strengthen us in the matter of defence, and in the eyes of the world.

352. Do you not think that even as separate countries they must mutually assist each other to the best of their ability in time of trouble?—I suppose they would.

353. *Mr. Beauchamp.*] Your industries are protected here, are they not?—Yes; to the extent of about 20 per cent., and with the raw material coming in duty-free.

354. Do you think those industries would be affected by inter-State free-trade?—I do not think they have got anything to fear. The woollen-manufacturers certainly have nothing to fear.

355. It has been represented to us that in regard to several industries, owing to specialisation in such centres as Melbourne and Sydney, the industries of the smaller States would be prejudiced by inter-State free-trade: do you think that is so?—In Tasmania we have no very large manufactures or important ones, excepting the woollen-mills, and they have been able to establish a market for themselves in New South Wales by reason of the excellence of their quality.

356. You produce a very fine quality of woollen goods, do you not?—They have that reputation.

357. As to the powers of the States to raise loans, do you think they would be able to raise them as satisfactorily in the future, seeing they are now part of a Commonwealth, as they have done in the past?—I do not see why they should not.

358. Do you think they could get their money as cheaply as the Commonwealth could?—They might not do it as cheaply as the Commonwealth, but, I believe, as cheaply as they would have done if there had been no Federation.

359. It has been stated by several gentlemen in Australia that in the event of our not federating with Australia some friction might arise between New Zealand and Australia with regard to the South Sea Islands: have you any opinion on that head?—I think it is very likely.

360. In spite of the fact that we both belong to the same Empire?—The only way in which we can deal with these islands is by representations to the Home Government, and it is quite possible that the Commonwealth Ministry might make different representations to those made by the New Zealand Ministry for the time being, and so friction might be caused. We know that differences of opinion have arisen at different times with respect to the administration of these islands, and different representations have been made by different States.

361. You think it might place the Imperial authorities in an awkward position to be asked to decide the claims of either New Zealand or Australia to dominate these islands?—They might be placed in an awkward position, and it would cause far more unpleasantness between New Zealand and the Commonwealth if the representations made by the one or the other were ignored or were refused by the Mother-country.

362. *Mr. Millar.*] I think you said that you considered one advantage of federation to New Zealand would be from the trade point of view?—I did throw out that suggestion; but I am not a business-man, and I have not studied the question sufficiently from your trade point of view.

363. Would you think for a moment that a good market could be found in a colony which was exporting the same products that you produce?—No; but you already export a considerable amount to the Australian Continent, I understand.

364. It is only 14 per cent. of the whole of our export, and, excluding specie, it is only 8 per cent. So far as Tasmania is concerned, have you not always been able to find a market in New South Wales for the whole of your agricultural surplus?—We only have the one market. Take potatoes, for instance: the price in Sydney rules the market here, and if two or three shipments go into Sydney at the same time the price immediately drops, to the loss of our farmers. We have no other market open to us.

365. Have you at any time, of your own knowledge, produced more here than you could find a market for in New South Wales?—I do not think that a great deal more has been produced than we have been able to dispose of, but very often it has not been disposed of to advantage.

366. I presume the same thing will apply to Victoria?—We can produce more when we have more markets open to us—markets which are closed now.

367. But, still, the price will be regulated by the figures you charge?—I take it that it will be regulated rather by the price we can obtain in other States. We shall not be confined to one market. We shall have Victoria, South Australia, and Western Australian open to us.

368. But the moment you go beyond what they can be imported from New Zealand for you cannot increase your market beyond that price, can you?—If there is a big export of potatoes from New Zealand, that would become a very important factor to us in the matter of price.

369. As a member of the Federal Cabinet, do you anticipate that the powers of the Federal Parliament will be increased as time goes on, or do you anticipate that they will be always tied down to the powers granted under the Act?—I cannot see at the present time any direction in which they can be increased with advantage. I do not anticipate any infringement of the State powers.

370. In the course of a few years when the Federal Parliament have legislated upon all those subjects that they are given the power to legislate on, what would be its functions then, or what would they have to do, because the revenue-raising departments have been taken over?—I do not think that legislation on any subjects ever comes to an end. That is my experience.

371. But they have no further creative powers?—I fancy that those subjects will be sufficient for them to deal with for a long time.

372. Tinkering with legislation?—That is not it; it is rather “progressing” legislation than tinkering.

373. But they cannot develop any new legislation on any matter outside the thirty-nine articles?—I do not think it would be desirable to let them have that power. The matter has been fully discussed, and everything that could be thought of that they could deal with with advantage from a Federal point of view has been included in those thirty-nine articles.

374. What do you think is going to be the effect of federation on the progressive spirit which has been evinced of late years in regard to legislation for the social development of the people?—I think most of the social problems have been left to the States to work out, and there are very few questions of that kind left to the Federal Parliament, speaking from memory, excepting conciliation and arbitration. Those are the only two social questions which have been taken over by the Federal Parliament.

375. Assuming, for instance, that there was a general feeling in New South Wales that the hours of labour should be reduced from forty-eight to forty-four, how could the people of New South Wales legislate for forty-four hours and still be able to compete with Victoria, where they were working forty-eight hours?—That is a matter entirely for each State to consider for itself.

376. But would it not be impossible for New South Wales to compete against Victoria, where they are working four hours more per week?—Well, the people here can work longer hours than they can in Queensland, on account of the better climatic conditions, and I suppose it is the same in New Zealand. I think each State must know its own surrounding conditions better than the Federal Legislature, and in respect to social matters will have to work out its own destiny.

377. But what would happen to a State that was working shorter hours while this process of educating the other people was going on?—I think the tendency would not be to level down, but rather to level up to the higher ideal.

378. *Mr. Roberts.*] In reply to Mr. Beauchamp, you mentioned that your woollen industries would be benefited by federation. The returns show that in the woollen industry in Tasmania there are 162 employes altogether, and that your exports for 1899 of woollens only amounted to £528?—Of course, that industry here is in quite a small way, and the exports of last year would be larger than they were in 1899. The industry has only been started during the last few years, and is growing up very gradually, and I do not know that it has a large amount of capital at its back.

379. What opinion have you upon the coloured-labour difficulty?—I hope that a great deal of it will be able to be dispensed with altogether, through the introduction of machinery.

380. Do you think white men will be able to do the work in the sugar-fields in tropical districts?—I have been so informed, but I have not been in Queensland, nor to the sugar-plantations.

381. And your aboriginal race in Tasmania is extinct?—Yes.

382. In New Zealand the Maoris are enfranchised, and they also have representatives of their own in Parliament, so that in the event of New Zealand joining the Federation some amendment to the Constitution will be required to enable the Maoris to be counted in the quota: what is your opinion of that matter?—Of course, they are not a race that is disqualified from voting at elections.

383. *Mr. Luke.*] Is there not a possibility that the taking-away of the chief sources of revenue from the States will hinder the carrying-on of such works as roads and bridges by reducing the power of the States to raise money for those purposes?—It would depend very much on the amount returned by the Commonwealth Parliament. If it raised a fair revenue, such as is required by the majority of the States, there ought to be no hindrance in carrying out a proper public-works policy from year to year.

384. Is it your opinion that a colony so far distant as New Zealand is would be at a disadvantage in having to contribute towards great Federal undertakings, such as trans-continental railways, from which it would reap no benefit?—It would be a slight disadvantage, as it is in the case of Tasmania, but I cannot see that it would be an insuperable objection to New Zealand joining the Federation.

385. Will not the four-days journey always be a bar to community of interest?—Western Australia is in exactly the same position, and did not object in any way to sending her representatives to attend the Federal Conferences from any considerations of the length of the sea-journey.

386. Would we not suffer in respect to local matters which required prompt attention?—I think considerable powers would have to be given to the heads of departments, as it would not be possible to submit all matters to the Federal Ministry.

387. But is it not likely that the smaller States will be overshadowed by the larger ones, as has been hinted at in the case of Tasmania?—I do not think so. I think the Federal spirit would always predominate, and the isolated States would always get fair-play. I think the time will come when the Prime Minister will select his Ministers quite independently of the idea that each State must be represented in the Ministry.

388. But is there not already some feeling of jealousy in that respect amongst the States?—I think the State differences will become less and less as time goes on. We have been divided on many questions for many years, and have been independent self-governing colonies. It was not reasonable to expect that this feeling would die out through the stroke of a pen—by the passing of an Act of Parliament. It will require time.

389. Is it your opinion that the Civil servants of the outlying States will receive the same amount of consideration as the Civil servants who are nearest the seat of the Federal Government will receive?—I fancy one of the first duties of the Federal Parliament will be to consider a proper Civil Service Bill, and if that Bill is passed, and a Public Service Board established and the service classified, they will all receive equal justice under the Act.

390. Will a Civil Service Board be appointed?—Uniformity of classification will have to be provided for, and it would be very difficult to do it except by a Board. It might be done by a Royal Commission; but probably an independent Board would be preferable. It is one of the most difficult questions that the Federal Government will have to face.

391. *Mr. Reid.*] With regard to the right of appeal to the Federal High Court, do you think that will be taken advantage of by Tasmania, rather than the privilege of going to the Privy Council?—We have had very few appeals from Tasmania—I think only three or four—since we have had a Supreme Court, and it is very difficult to say whether appeals will be more frequent to the Federal High Court than to the Privy Council.

392. In regard to section 73, do you consider that the right of appeal to the Privy Council is in any way limited?—I do not think it limits the right of appeal, but that it is concurrent.

393. Do you consider section 74 limits the right of appeal?—Yes; but on constitutional questions the Federal judicature should be the sole interpreter of the Constitution.

394. You hold that section 73 gives a general right of appeal?—Yes.

395. *Mr. Leys.*] Will Tasmania have to resort to direct taxation to make up the deficiency arising from the absorption of its Customs revenue?—I expect so.

396. If that is the case at present, how will she provide for loans in the future for her own colonisation-works?—Only by direct taxation. The less we receive from the Customs duties the less the taxpayer pays under that head, and the more opportunity there is to obtain direct taxation.

397. Then, if you raise further loans for roads, &c., the only security you can offer will be this power to impose direct taxation?—And the amount we receive as our share of the Customs duties collected by the Commonwealth.

398. But is that not more than absorbed now by the present liabilities of the Commonwealth?—It is for the present year or two; but, of course, one does not know that it is always going to continue. We had some bad years, when the Customs duties fell off very considerably; but they are on the increase now.

399. But do you not think that surrendering the control of the Customs will seriously restrict the power of the States in carrying on colonisation-works?—We must show that we are able to collect a certain amount more from direct taxation, and if we do that the British people will lend us the money.

400. Do you think direct taxation is such an elastic means of raising money as Customs and excise?—No; but, of course, we have not much direct taxation here at the present time. We have not got an income-tax, although we had one for four years; but it was dropped, as the Parliament preferred to retain the Customs duties to reducing them and making it up by direct taxation.

401. But if you wanted a million loan for a new railway, or additional roads, besides the direct taxation you have to impose to provide for your present deficiency would you not have to impose

still further direct taxation to cover the interest on that loan?—If the population and the revenue remain the same as they are now there is no doubt that we should be restricted in our borrowing-powers. As the population and revenue increase, so shall we be able to borrow.

402. But is it not the case that the Federal Government in settling the future tariff will have regard rather to existing liabilities than to the future desire of the States to borrow?—We all want to go on with progressive works, and, as the Federal Parliament is representative of all the States, there is no doubt that the wishes of the States will be carefully considered in framing the tariff from time to time.

403. But, in the case of New South Wales, will not one million more be raised out of that State than she actually requires?—Of course, New South Wales stands in an exceptional position, through having an enormous revenue from its Crown lands; and that is the reason New South Wales has been able to get on so well with a small Customs revenue.

404. Will not the result of that be that colonies like Tasmania and New Zealand will suffer more severely from the Federal control of Customs and excise than other colonies?—If you exclude New South Wales, I think Tasmania is in very much the same position as other colonies; and, as to the revenue derived from the sale of Crown lands in New South Wales, I always consider that the Crown lands ought to be looked on as the capital of a country, and ought to be applied in that way to the reduction of its indebtedness, rather than to purposes of general revenue and expenditure.

405. With regard to the South Sea Islands, seeing that every application with regard to annexation or alteration in the conditions of the islands must be made through the Imperial Government, do you think it at all likely that serious friction will arise between the Commonwealth and New Zealand in the event of our not federating?—Friction once did arise between Queensland and the other colonies.

406. Well, would not the same conflict arise if they were federated?—Then the majority decides.

407. But would not New Zealand still be as discontented as if she were out of the Federation?—I do not know that she would be. In the one case she would say, "This is an unwarrantable interference by people that have nothing to do with it," and the other party would say, "We have fought the battle in the House and we have been defeated, and that is the end of it."

408. Does it not amount to this: that if the interests of the Australian Continent and the interests of New Zealand were in conflict New Zealand would go to the wall?—I do not think so. The conflict would probably be between two of the States—say, New Zealand and Queensland, for instance—and the rest of the Parliament would act as jurymen and decide between their conflicting claims.

409. *Hon. Major Steward.*] Is there any reason why Tasmania should not follow our example with regard to dairy factories?—None; and we are following it as fast as we can by establishing factories and importing cattle. If the present policy is carried out, in the course of a year or two we shall not only produce sufficient to supply ourselves but to export. But your agriculturists are a long way ahead of ours, and the assistance you have given them is also a long way ahead of what we are giving our people.

410. If New Zealand joined the Commonwealth she would be on an equal footing with the other colonies with regard to open markets and ports, and then, of course, she would become a competitor with Tasmania in those markets. Seeing that is the case, would Tasmanian legislators view New Zealand joining the Federation with favour, or otherwise?—I cannot speak for them. I can only give my personal opinion. Of course, our people would have to face that competition; but to have the whole of the Australasian Colonies united would be a splendid thing, and I would very much prefer to see that union and to face the competition with you than to have the Commonwealth markets open to us to your exclusion.

411. Is it your opinion that the Federal Parliament would be so willing to welcome New Zealand that they would be prepared to admit her on terms equally as advantageous as those in the case of the original States?—If I were a member of the House I certainly should admit New Zealand on equal terms with the original States, and I believe a majority of the members would also, provided it is done at an early date. If it is done within the first four or five years I believe the feeling in Australia would be in favour of your admission on exactly equal terms.

412. Do you think it is probable that a similar provision to that made in the case of Western Australia, with regard to the Federal tariff coming into operation in that State, could be expected in our case?—Of course, Western Australia is still in such a curious position through the sudden inrush of a large male population that their case could not be dealt with at all on the same footing as the other States; and if you can show cause for such exceptional treatment, no doubt, Parliament would take that into consideration and treat you exceptionally.

413. Supposing New Zealand found, after she had made application for admission, that under the Commonwealth scheme her system of finance would be disturbed to the extent of a million a year, would that be a differentiating circumstance which would entitle her to special consideration?—If that were so!

414. You are also aware that the Native race in New Zealand is admitted to equal privileges with ourselves, and we had an answer from a high legal authority the other day to the effect that he thought it would be necessary to get a special Act of the English Parliament to enable them to be counted: do you think that would be so?—I have never thought of that, and I would like time to consider it; but, as far as the population is concerned, section 25, I think, does not apply to the case of your Maoris, but possibly section 127 would. Speaking quite offhand, I do not know why their inclusion should not be made one of the conditions of your admission to the Union.

415. Seeing that the Postal Department is taken over by the Commonwealth, what would be the position with regard to our penny-postage?—That would come under the Post Offices Act. At

the present time all the State Post Offices are being conducted under their own separate laws. In Tasmania we have penny-postage in the towns and suburbs and 2d. outside. That is not altered.

416. Do you think the existing regulations will be maintained until there is a general postage Act which will apply to all the colonies?—That will be the business of the first session of Parliament.

417. *Hon. the Chairman.*] Supposing New Zealand should not join the Federation, do you think there is any chance of a reciprocal treaty being granted between the Commonwealth and New Zealand in respect of the interchange of commodities produced by the two countries?—There is nothing to prevent it, and if it could be shown to be mutually advantageous I have no doubt that it might be done. There is always a difficulty in the way, and Tasmania's attempts to get such a treaty were not a success. It was a good many years ago, but the result did not encourage us to make another attempt.

418. What was the attempt in the direction of?—It was before I was in Parliament, and I am speaking from memory. The Protectionist party in Victoria were too strong to allow the particular proposals to be carried out. They were to admit our timber and fruit free, and we were to admit their sheep and cattle free. We took the duty off sheep and cattle, but when it was proposed in their Parliament to remove the duties on certain classes of timber and certain fruits the agitation against it was so great that it was abandoned.

Hon. STAFFORD BIRD, M.E.C., examined. (No. 213.)

419. *Hon. the Chairman.*] You are the State Treasurer in Tasmania, Mr. Bird?—Yes.

420. And you have been in the Parliament of Tasmania for many years?—Yes, for nineteen years. I have held office in two Ministries.

421. And you have given consideration to the Commonwealth Bill, we understand, more particularly as it affects the finances of the various States?—I have.

422. Will you kindly tell the Commission your views as to how the finances of the States will be affected by their federating?—I have given consideration to that question chiefly from the point of view as to how it will affect Tasmania, and the difficulty that will arise in our case, seeing that we have depended very largely on the Customs duties for our revenue. We are raising at the present time from Customs about half a million annually, and under any Federal tariff that is likely to be imposed it is hardly to be expected that Tasmania will raise more than £300,000 of the revenue to be gained under that tariff. Of course, the amount will depend on what the total revenue is that is wanted. It may be seven millions, eight millions, or nine millions that may be required; but if it be seven millions our contribution is not likely to be very much more than £250,000 to £300,000, and if it be nine millions probably from £350,000 to £360,000, so that we shall have a large deficiency between our present receipts from Customs and those we would get under the Commonwealth tariff. According as the Federal tariff might raise a revenue from seven to nine millions so our deficiency will vary from £100,000 to £200,000.

423. How would that amount be made up?—At the present time we are raising about £100,000 more than we need to meet our annual requirements, and with that surplus we are paying off an old deficit of some £450,000, so that we could afford to do with a Customs revenue of from £50,000 to £100,000 less than we are now getting, and if the Federal tariff be what we deem it is likely to be we shall probably find ourselves £100,000 short. Of course, that is merely speculative, as none of us know what the Federal tariff may be; but we expect to have to provide £100,000 in consequence of the change, and the only sources to which we can go are wealth and land—direct taxation, in a word. With regard to the land-tax, the general feeling in the State is that we are taking quite enough from the land, and there would be a very great outcry if it were announced that we should have to increase that tax, or the tax on company dividends, which is now 1s. in the pound.

424. Do you think you would be able to raise £100,000 additional by direct taxation in Tasmania?—I do not.

425. Then, how can you provide for the execution of your public works?—Of course, the question of reducing our expenditure in various ways will have to be considered. We might reduce the number of members of Parliament and save a little there. We might cut down, as was proposed but not agreed to, the salary of the Governor; or we might cut off some of our annual subsidies to road trusts and public bodies of that kind; but there is no doubt that for the requirements to meet the natural progress of the colony we shall find ourselves very much hampered. That is the difficulty that many of us have seen in connection with the present Constitution Act, and that dread is becoming more apparent throughout the colony. There will be a stoppage of public works unless the difficulty could be met by throwing the burden of raising money for such works on the local bodies, but that would simply mean transferring the burden from the State to the local government, and would not relieve the people to any extent.

426. Do you anticipate getting any financial assistance from the Commonwealth under section 96 of the Commonwealth Act?—I do not anticipate anything from that, nor do I like the idea of it. I regret very much that the financial provisions of the Act are what they are. They are going to throw difficulties in the way of Tasmania, and here I might say that I was one who looked on federation favourably in the earlier stages of the discussion, having been at the first Convention in 1891. I was then anxious to see the colonies federated, believing then, as I do now, that it might be, if on a fair and sound financial basis, a good thing for all; but the financial provisions as embodied in the Bill were, to my mind, so unsatisfactory that when it came to advising the people before the referendum I was one of the very small minority in Tasmania who advised delay, thinking it would be far better for Tasmania to stand outside the Federation for, say, five years in order to see how the Act worked, and if we then saw that it was working satisfactorily to this State we might join.

427. Do you think that at the time the referendum was taken in the various States, the people had fully considered the financial aspect of the question?—No, I am sure they had not.

428. What are the principal advantages you think Tasmania will gain by entering the Federation?—Intercolonial free-trade is the chief, and the obtaining of a larger market for our produce. And there is a good deal in the union for defence purposes, but we cannot forget the fact that that will involve extra expense, our share of which we shall have to bear.

429. Do you think that New Zealand, if she came into the Commonwealth, would be prejudiced by reason of her distance from the continent?—To some extent, yes. So far as freedom of intercourse in respect to commerce is concerned, you would probably benefit, and so would some of the States in the same way by their intercourse with you. Tasmania might find that her timber and fruit-exports to New Zealand would benefit, and you might also benefit in respect to your timber and some of your manufactures by having a free-trade market in all the States.

430. The bulk of New Zealand's export trade is done with England, and having regard to that fact, do you think that the mere securing of intercolonial free-trade would be a sufficient recompense for New Zealand parting with its local autonomy as a separate colony?—I should doubt it very much.

431. *Mr. Leys.*] I see that your Customs and excise taxation only amounts to £2 9s. 10d. per head, while ours amounts to £2 18s. Then, in addition to that, we have a land- and income-tax, which limits our power to increase the direct taxation. Now, in view of these figures, would we not suffer more than Tasmania through the Federal control of the Customs and excise?—Yes; you would undoubtedly have a larger shortage, proportionately, than we should have. Those States which are now raising the largest amount of taxation through the Customs would suffer the most. It is in consequence of that that Western Australia would have had a bigger shortage under the Federal arrangements than we will have but for the special provision which allows their tariff to be adjusted during a period of five years.

432. Speaking as a Colonial Treasurer, do you not think a State like New Zealand would be very much restricted in regard to being able to carry on its colonising-works through parting with the complete control of its fiscal policy?—Well, I think you would be in the same position as Tasmania in that respect. I feel, looking forward to the statement I have to make this year to the House in regard to the finances, that it is a very unpleasant thing indeed to have lost the control of our finances (for that is what it comes to), and that we cannot have a financial policy such as we think would be best for the State, simply because our power to propose such a policy is taken from us. We are restricted through not knowing what the Federal legislation will be in that respect; and just as I am feeling that position very much at the present time so I can quite conclude that New Zealand would necessarily feel it also.

433. Do you think that would retard the development of the country very much?—It must to some extent, because you would be debarred from taking in hand those important works which are necessary to progress, through being limited in your resources by the control of the finances having been taken out of your hands.

434. What do you think the effect of free-trade will be on the manufacturing industries?—I should say that the effect may be injurious in regard to the smaller factories and industries, as they may be driven out by the competition of the larger concerns. On the other hand, there will be a compensating advantage, as some industries will benefit by having a larger market, and will be able to do better than when existing under conditions of isolation.

435. *Mr. Luke.*] Do you not think that the general expansion of trade which will be brought about by federation will compensate for the financial loss that some of the States might sustain, and that that loss is more than likely to be made up in the course of five or ten years?—There is no doubt that with a larger market and a larger production a manufacturing State would gain much advantage. Generally, I think the freedom of trade between the States will be advantageous, but it is not going to cover the financial difficulty arising from the shortage I have pointed out. The loss of the protection which some of the smaller States have hitherto enjoyed, and the extra competition created by inter-State free-trade, will also cause some suffering in the first instance.

436. Do you think your manufacturers will be able to supply all local wants, although they might not be able to export?—Certain classes of manufactured goods we shall be able to supply ourselves with. We are doing a good deal in woollens, boots and shoes, and we can supply ourselves with those; but when it comes to some sorts of machinery, and certain classes of implements, we have to go to other countries for them, and shall have to for some time to come. The Commonwealth as a whole will have to go to outside countries for some classes of manufactured goods.

437. You do not manufacture furniture largely in this colony?—Sufficient, generally speaking for our local wants, but not for export.

438. What are the hours worked in the factories here, and what are the wages?—I think the eight-hour system prevails, and that the wages are rather less than they are in Victoria. I do not think the cost of living here is any more than it is in any other State.

439. Is the tendency of your people rather to go on the land than to seek a factory-life?—There is not much movement towards factory-life excepting in respect to the class from which the domestic servants are drawn. There is a disposition amongst that class to go into shops and factories, so that they can have their evenings free; but there is not a big movement in the direction of factory-life, speaking generally, because we have not developed our industries very largely in that direction.

440. Are the young men going on the land?—Yes; but, of course, the mines are a great attraction for many of our young fellows. Our land-sales are going up year by year.

441. Mining is your chief industry, I presume?—I would not say that; it is one of our chief industries.

442. *Hon. Mr. Bowen.*] You do not mention, in the possibilities of direct taxation, an income-tax?—I included that when I referred to taxes on wealth. We had an income-tax here for four years of 1s. in the pound on incomes derived from property and 8d. on incomes derived from personal exertion; but it was considered an obnoxious tax, and pressure was brought on the Government to repeal certain sections of the Act, with the result that it was swept away, with the exception of the tax on dividends.

443. *Mr. Beauchamp.*] What amount did you raise by means of your income-tax?—About £35,000.

444. And what was the chief objection raised against it?—On account of its inquisitorial nature, and also on account of the feeling that you should not tax the personal exertions of the people. They do not object so much to a tax on property and earnings from business investments as they do to taxes on salaries.

445. What exemptions had you under the Income-tax Act?—All incomes under £150 were exempt; over that and up to £400, £120 was exempt. On incomes of £400 and over there was no exemption.

446. Having strongly advised the Tasmanians not to enter the Federation at once, I presume you would give New Zealand the same advice?—I should say wait for some years until you see how things work out under the Commonwealth before you attempt to join.

HON. HENRY DOBSON examined. (No. 214.)

447. *Hon. the Chairman.*] You are a barrister practising in Hobart, a former Premier of Tasmania, a member of the Federal Council, a member of the Federal Convention, and a member for ten years of the Tasmanian Parliament?—Yes.

448. You have taken considerable part in the framing of the Commonwealth Constitution Act?—Yes.

449. Are you satisfied with the provisions of that Act as it affects the various States?—I am, because it leaves the settlement of the financial difficulties, which are very great, to the people. The Convention was unjustly blamed for not settling the financial difficulties, but when we sought for a simple and fair way of dealing with them, and ascertained that any adjustment would make the richer colonies contribute towards the revenue of the poorer ones, I think we rightly left it to the people's representatives in Parliament, and those representatives will be responsible for the settlement they make.

450. Taking Tasmania as an instance, you know that the Commonwealth have taken over the Customs, and are entitled to retain a certain portion of that revenue for Federal purposes, and that there will be a deficiency in the finances of the State: what is your opinion on that matter?—There will be a yearly deficit of about £130,000 with a tariff of eight millions and a half. The Treasurer will be short by that amount, but the people will get the relief.

451. What is the Treasurer to do to make up his requirements?—If the amount of the deficiency is calculated on the basis of the amount of Customs and excise each State contributes £130,000 will be required; but if the duties are returned on the basis of population the deficiency will only be £50,000. If you are going to be one people with one destiny, the Tasmanians argue that we should have the one purse, that we should pool the whole of the Customs and excise revenues, and not receive therefrom an amount in proportion to what each State raises, but treat the people of all States as citizens of one Commonwealth, and give each citizen an equal share on the basis of population; but that is simply making the richer colonies contribute part of their income to the support of the poorer ones.

452. Having entered the Commonwealth, do you not think that the smaller States, such as Tasmania, will be handicapped very considerably in the matter of contracting loans for their public works?—I think so; and I am personally glad of it, because we have already spent too much money in this State. I was very much struck with the fact that in three sittings of the Convention I do not think a quarter of an hour was taken up in discussing how the States would be situated as regards their borrowing-powers. Our Customs will be gone, our direct taxation will be exhausted in making up even part of the shortage, and the security we should have to offer for State loans might be ample, but it would not be one-half of what it was before federation.

453. How are the different requirements to be provided for?—We have spent two millions and a half on roads; and what is wanted is not so much more capital expenditure as, I think, the power to compel each road trust to levy a minimum rate—say, of not less than 6d. in the pound. In addition to that, in regard to the sale of land, although we sell at £1 per acre on fourteen years' credit, 10s. per acre is taken at once and spent immediately on the roads in the neighbourhood, provided 500 acres of land are selected in that locality. With the enormous expenditure of the past, and with the capital expenditure from land purchase under a proper rating Act, we should have to rest content without borrowing much further for roads. As a matter of fact, most of our buildings are built, and we have overdone expenditure on our harbours and railways; but our railway system pays hardly 1 per cent., and we really want a rest from this public-works expenditure.

454. Do you think the colony is sufficiently developed?—With the exception of the mining industry, yes. I believe there are great possibilities for fruit-growing, and for the development of the timber industry. Most of our land fit for agriculture has been brought under the plough, or laid down in grass, and is supplied with fair roads, with the exception of some land at the Wilmot, to which we are building a railway. The land in Tasmania, excepting a third of it, is entirely useless for agricultural and almost so for pastoral purposes. Almost all the good land is alienated.

456. You mean to say that of the entire balance there is very little land suitable for settlement?—Very little.

457. Is there no bush land?—The good bush land is up where we are building the Wilmot Railway on the north-west.

458. What special advantages, excepting intercolonial free-trade, do you consider Tasmania will gain under federation?—I think intercolonial free-trade will be of more benefit to us than to any other colony, because the products which suit our soil and climate, such as timber, potatoes, hops, fruit-pulp, and jams, are produced in such quantities as leave an enormous surplus available for export after the home market has been absolutely satisfied; therefore our producers want free-trade; in fact, it is essential to their welfare. Federation does not affect wool, but I often wonder where the colonies would be if the Mother-country put 1d. a pound on wool. I need not, therefore, include wool in the industries that will benefit under federation, because it is an industry in which we have free-trade.

459. Do you not think that Australia can produce all the fruit it requires?—I think they could; but we have a better soil and climate, and can produce it cheaper than they can. Our keeping-apples are unmistakably better than those of other States. The other advantages in favour of federation are in respect to defence, quarantine, immigration, &c.; but there were so many questions which had to be settled by united action that we felt we must have some form of government common to all the States. The old Federal Council did not meet the case, but I was always in favour of working up through that Council and developing, according to our requirements, into this higher national life. New South Wales after creating the Federal Council belittled it, and never joined it, so that this larger and national federation movement was really forced upon us.

460. Can you suggest to us any advantages which New Zealand would gain by joining the Federation?—Having devoted many months to thinking out the advantages of federation and to putting them before our farmers (who are mostly Protectionists) with New Zealand out of it, I am hardly doing justice to myself or to the subject by answering your question without more thought, but I should say at once that if—as is probable—the railways are taken over that would be, I think, a detriment to you. It might be very inconvenient for you to have your system of railways managed by the central office at the capital when you are four or five days' journey by sea distant from such office. The same inconvenience might arise in the control of your post and cable service, and the Federal Ministers would have to give your Minister, or the Federal officer in New Zealand, a free hand. With reference to intercolonial free-trade, you are practically the richest colony in the Empire, and I believe that intercolonial free-trade would give you advantages and would prove a benefit to you.

461. Do you think it would be of sufficient advantage to warrant New Zealand parting with her autonomy?—Probably not yet. I think you would do better to postpone your decision. Wait until you have the problems of federation discussed by responsible men, which was not the case in the Federal Conventions, because the men comprising those Conventions had no responsibility—they had not to go before their constituents. Wait until you see how the financial difficulties and other problems are adjusted and solved by the statesmen who will be responsible for their actions.

462. *Mr. Beauchamp.*] I take it that you are quite content to pursue a waiting policy with regard to your public works?—I am, and we must do it.

463. Do you think that your people will permit that state of things to continue?—Not unless they see it is a necessity, and I believe they will so see it, because they have been spending money in a most reckless fashion. One-half our debt is not paying 1 per cent., and the other half is paying little or nothing directly, and therefore you will see how great a drain our unproductive public works are. Our railways are not paying 1 per cent., and in that respect we are in a worse position than any other colony, although the railways are slightly improving in this respect.

464. *Hon. Mr. Bowen.*] With regard to the adjustment of accounts between the States, do you hope that the richer States will be prepared to contribute to the assistance of the poorer States?—Mr. Reid, when he was a member of the Federal Convention, speaking for the Mother-colony, said he would be prepared to enter into an arrangement which would be generous and fair; and really the shortage of Tasmania under a uniform tariff will be so great that something may have to be done for her at first by the Federal Parliament granting her subsidies. I have seen all that from the first; but I have supported federation because our industries have been killed by the enormous protective duties of Victoria, and we have been deprived by Acts of Parliament of the natural markets the Creator has given us, and must have inter-State free-trade.

465. And you think that, as far as Tasmania is concerned, only time is required to put things right?—I think we shall grow, but the first five years is our trouble. Our mineral industry is growing, and will continue to develop; but we must keep down this enormous public-works expenditure, and not increase our interest-liability.

466. *Mr. Luke.*] Briefly, you do not think that federation has the same attractions for New Zealand as for other places?—I do not, and there is no precedent for federation in the case of a colony like yours, which is four or five days' steam away from the other States. Then, there is also the fact that you have the market for most of your products in the Old Country, besides your other many advantages.

467. Do you think there is any probability of a reciprocal treaty being arranged between the Commonwealth and New Zealand?—There you ask me a question in regard to which the electors are my masters. I have been promising our farmers protection against the outside world, which includes New Zealand now. Inter-State free-trade they are prepared for, but they are frightened of your New Zealand producers, and I do not think our farmers would have voted for federation if they had thought there would be reciprocity with New Zealand, or that your products would be allowed in duty-free. They might have voted for it had you been one of the federating States.

468. Supposing we allowed some of your goods in duty-free?—I do not think we have much to give you in return. You might take a few apples or hops, but you can easily supply yourselves with these products.

469. Your timber is always in demand with us?—Yes, for certain purposes. We once tried to get reciprocity with Victoria, and we agreed on four or five items, and passed the Bill, but when

the proposal was placed before the Victorian Parliament the Protectionists were so strong that it was killed.

470. *Mr. Leys.*] Are there many people employed on public works in Tasmania?—Yes, a great many, and sons of farmers and small settlers leave and neglect their land to obtain constant employment at fairly good wages.

471. What would be the effect of their being thrown out of employment?—Disastrous; our revenue would slump down and down, particularly our Customs duties, and that is why I am frightened with regard to our reckless expenditure. I believe the labour-market will be disturbed, and we shall be somewhat embarrassed when the expenditure on public works is reduced.

472. Do you think New Zealand would suffer in a similar way through the restriction of its public works?—Yes. I cannot help recollecting your Vogel policy, under which you spent many millions, for which you no doubt have a splendid system of public works and railways, but I think the depression in New Zealand was very great after the money was spent.

473. Do you think we should have to take a rest if we federated?—You would have a more limited security and a reduced revenue from which to pay the interest on the capital to be borrowed.

474. We should, in fact, have to go to direct taxation for future works?—Yes; or else go in for a poll-tax or trade licenses; but that is direct taxation.

475. *Hon. the Chairman.*] Is there any other matter you wish to mention and which we have not asked you about?—I was rather struck with Mr. Seddon's idea of a separate Federation, and I rather approved of it, but when I come to think that Fiji is twelve hundred miles away from New Zealand I begin to see that there are difficulties in the way of it. I certainly would like to see the whole of the colonies, including New Zealand, united in one national Commonwealth, but in your case the disadvantages and difficulties are great.

476. Do you think there is likely to be friction between us and Australia over the South Sea Islands?—I have hardly considered that point; but, as regards the New Hebrides and the French, I would like to see the Empire and Commonwealth buy the New Hebrides, because we cannot allow the state of affairs at present prevailing there to continue much longer. Depend upon it, Australia, being now united, will fight for her rights and take up a stronger position in this matter than a small country like New Zealand acting alone can do.

MELBOURNE.

TUESDAY, 2ND APRIL, 1901.

DAVID MARTIN examined. (No. 215.)

1. *Hon. the Chairman.*] What is your name?—David Martin.
2. Your official position?—Secretary for Agriculture for the State of Victoria.
3. Can you tell us about the quantity of oats under cultivation in Victoria?—In 1899 there were 271,280 acres under cultivation.
4. Can you tell us what the average yield is?—The total was 6,116,046 bushels.
5. What class of oats are grown here?—Mostly Algerian.
6. What is the quantity of oats exported from Victoria in 1899?—I have not got the exports, but for the last year the exports have been exceptional, on account of the large export to South Africa.
7. Is the area under cultivation of oats increasing in Victoria?—Yes; this year on account of the great demand.
8. Is there plenty of land suitable for the cultivation of oats?—Yes.
9. Is wheat grown much here?—Yes; very much more largely than oats.
10. What was the surplus of wheat this year?—There were 21,165,693 acres under cultivation. The yield being 15,237,948 bushels.
11. Is maize cultivated in Victoria?—Only to a limited extent, and a good deal of it that is cultivated is not allowed to seed; it is cut for green feed.
12. What is the area of potatoes under cultivation?—55,469 acres, and the yield 173,381 tons.
13. Does the State of Victoria export potatoes largely?—Yes; we supply the northern colonies to a very great extent.
14. Are onions largely grown in Victoria?—The production for the year is 398,100 cwt. We supply the northern colonies and the shipping. We are now developing a trade to Africa.
15. Are New Zealand oats largely imported into Victoria?—To a fair extent. Some few years back there was a very large importation.
16. Since the duty has been put on?—I have no doubt there has been a falling-off. In the last year or two we have been able to supply our own requirements. In many cases New Zealand oats have been retranshipped to supply orders in Africa.
17. Is fruit grown in Victoria?—Yes, very largely.
18. What is the area under fruit?—The total acreage is 54,573. It includes nearly every kind of fruit. Apples and pears are the principal crops; also quinces, plums, cherries, peaches, apricots, nectarines, oranges, lemons, loquats, medlars, figs, passion-fruit, guavas, pomegranates, persimmons, raspberries, strawberries, gooseberries, mulberries, olives, almonds and filberts, and currants.
19. Do these fruits grow well in Victoria?—In their own particular districts. Our climate varies considerably.

20. Are these fruits grown in large quantities in Victoria?—Apples and pears especially.
21. Are they exported?—Yes.
22. Where to?—London. Our exports to London last year amounted to £7,280.
23. Is the area of land under agriculture in the State of Victoria increasing to any large extent?—I do not think it is. Of late years we have gone very much into dairying, and given up cultivation.
24. What is the export of butter and cheese?—We commenced exporting in 1889. Up to the end of last year the total value of butter was £7,369,615. That is within ten years.
25. What about cheese?—That amounted to £41,582. We are not likely to be cheese-exporters to a large extent.
26. Do you know what has led to the change from grain output to dairying output?—It pays better. Another very important factor is that when growing grain you get the money for it only once a year, whereas in butter-making you get your money every fortnight.
27. When you speak of the money for grain being obtained once a year, do you not mean that they have to wait for a profit sometimes for two, three, or four years?—It depends on the seasons: for instance, in the mallee country they have been carrying on at a loss for the last four or five years.
28. *Hon. Captain Russell.*] How often do they take crops from the land here?—Wheat is our staple. They should not take it for more than three years, in my opinion. At the end of that time sheep or cattle ought to be put on.
29. Do they sow green crops?—Only to a limited extent.
30. Artificial grasses?—In the southern districts, such as Gippsland, they sow grass, but not much in the northern districts.
31. After they have taken out those three crops of wheat the land is left to take care of itself?—Yes; they leave it practically for sheep—with native grass.
32. How long is it before the land is sufficiently recovered to take another crop?—After two or three years' rest.
33. After it has been cropped, say, twice for two or three years has the land deteriorated as sheep land? Have not those crops of grain taken a great deal out of the land?—Probably at the end of three years it would have recovered itself again.
34. They could have the second period of cropping without manure?—We are strongly advocating the use of manure now.
35. We may assume that in the future arable land will have to be manured before crops can be taken out?—Yes.
36. Does the same practice prevail as regards oats?—No, not so much; the land in which they grow oats is much stronger land.
37. With the exception of some favoured parts they cannot go in for rotation of crops—they cannot grow potatoes and mangel-wurzel and such things to use the land?—Not in some portions of the colony with root-crops. Rape to a limited extent is sown for feeding purposes.
38. All over Victoria?—Great portions.
39. Has the outcome of oats increased during the past ten years?—I do not think so.
40. Is oats a grain well suited for Victoria?—They are good feed-oats. There was a strong prejudice at one time against the variety grown, but that has been overcome.
41. Is the New Zealand oat a better oat than that of Victoria?—It is better in appearance, but not for feeding purposes.
42. Does a bushel of New Zealand oats contain more feeding qualities?—No.
43. In oatmeal is it better?—Millers here prefer good Algerian.
44. Should you imagine that with the disadvantage of the handling of freights Victoria will be able to compete with New Zealand?—No; they will be able to compete against us.
45. You think that if there was free-trade with New Zealand we could compete with you?—Yes; your crop per acre is much larger than ours.
46. I see that your crop here is roughly 22 bushels?—That is a fair average.
47. What is the average value of the land on which oats are grown?—£5 to £15 per acre.
48. That would be the selling-value of oat land?—Yes.
49. I suppose the area under cultivation in Victoria is practically the only portion suitable for cultivation?—There is a large area not suitable.
50. The land under cultivation now is not a quarter of what could be cultivated?—No. The greater portion of our best land in the western district has been thrown out of cultivation in favour of dairying.
51. You said that quinces were grown here?—They are made into jam.
52. They are not exported?—No; there is no market for them.
53. *Hon. Mr. Bowen.*] You say that the oat land is considered better than the land used for wheat?—Yes.
54. It is generally the other way in New Zealand?—You have to consider the climate. In our extreme northern districts oats would not grow to any extent.
55. What is the routine in oat-growing after the crop is taken off: do they take three crops of oats as of wheat?—Not usually.
56. After that?—They go in for a change of crop. Peas are grown considerably in moist districts.
57. Are there circumstances here against the ordinary rotation of crops?—The rainfall is not sufficient in northern districts.
58. It is not likely that the manner of cultivation will be improved?—Yes; by manuring and other methods.
59. Is that artificial manure?—Yes.

60. What price for oats is considered sufficient to pay the farmer here? If land is worth £10 to £15 per acre, it would not pay to grow oats on that?—Not where they have to rent the land.

61. Would 2s. a bushel pay them?—Yes.

62. *Mr. Roberts.*] Do you grow malting barley here?—Yes; we have not exported so far, but I am at present inquiring whether there is a market at Home for malting barley. We expect a surplus this year.

63. How do the figures run for butter in the last three years?—Last year was an exceptionally good one; it amounted to £1,233,850. The year before that was £888,000. The year before it was £670,000; the year before that it was £942,000. It depends entirely on the seasons.

64. You consider that last year's exports was quite an abnormal one?—Yes; that was 1899.

65. You said oats could be grown at 2s. a bushel; it is worth about 2s. 6d. for wheat at the present time?—Last season wheat was down to 1s. 10d. in some of the northern districts.

66. That did not pay?—They had to live on it.

67. The average this year is 7 bushels to the acre?—8 bushels. It can be produced at a profit at 2s. 6d.

68. *Mr. Millar.*] Have you any idea what the expenses are for ploughing and harvesting?—In the mallee they reckon it at about 10s. per acre. That includes ploughing, seeding, and harvesting. It can be done for 10s., but in some cases it costs 15s. They grow wheat in the mallee country.

69. *Mr. Luke.*] I understood it to apply to oats?—They do not grow oats in the mallee.

70. *Mr. Millar.*] Outside of the mallee country what do you think is a fair price?—Up to £1.

71. Does your department arrange the market-prices of the different agricultural products?—No.

72. *Mr. Beauchamp.*] In what year were oats heavily protected?—3s. per cental. I could not tell you the year.

73. Prior to that duty a very large quantity of oats was imported from New Zealand?—Yes.

74. Since the imposition of the duty the imports are very small?—Yes, in comparison.

75. Can you tell me the quantity of oats imported into Victoria just prior to the imposition of that duty?—No; that could be got from the Customs.

76. What is the present selling-price of good seed oats here?—1s. 10d. to 2s.

77. Is there much land here worked on co-operative principles?—They work on share principles. The landowner provides the land, and in some cases fences it in and puts up the dwelling. The farmer provides the seed and the labour.

78. Do they share equally?—Yes, generally.

79. What description of manures are generally used here?—Both imported and local made.

80. Are the German manures used?—Yes.

81. Principally bonedust and ordinary blood-manures?—I think so.

82. Can you give the average price at which wheat can be sold at a profit here?—2s. 6d.

83. Is that at the siding or in town?—At the siding.

84. Are there many large areas available both for growing grain and for pastoral purposes in Victoria?—There are large areas at present used for pastoral purposes that would be excellently suited for cultivation.

85. What is the price of wheat land?—£2 10s. to £3 10s., as against oat land £5 to £15 per acre.

86. There are still very large areas that could be brought under cultivation, both for wheat and oats?—Yes; but the farmers prefer to pay attention to dairying, as it pays them better.

87. There are large quantities of grapes grown in Victoria?—Yes. There are over two thousand people engaged in growing grapes.

88. Is the cultivation increasing?—No.

89. It has not been a profitable industry, owing to the ravages of phylloxera?—In some districts vigneron have been quite ruined.

90. The vines can be grown on poor land?—Yes.

91. *Mr. Luke.*] Do you export mutton?—Yes.

92. What quantity?—We exported to the value of £49,650 last year. A good deal of that would come from Riverina. That is an increasing trade.

93. Can you tell us what is the average wage paid to farm-labourers in Victoria?—15s. to £1 per week and their keep.

94. *Mr. Leys.*] A statement has been published that the area under oats has increased by 90,000 acres during the last year?—If that is so, it is due to the African market. I have no official information about that. We make up the agricultural returns in February.

95. Has sugar-beet been grown here to any extent?—Not to any large extent. We established a sugar-beet factory in the Gippsland district, but it was a financial failure. Now the beet is only being grown experimentally.

96. Was a Government bonus offered?—There was, but it is not continued now.

97. Who established the factory?—The cultivators with Government assistance.

98. What was the cause of failure?—They had two bad seasons, and the capital was not sufficient. The Government had assisted them to a certain extent, but would not assist them any longer.

99. Do you think beet can be produced successfully for sugar in Victoria?—I do. That has been proved.

100. Do you think that in the future it is likely to be tried again?—I hope so. I could not say for certain.

101. I notice you exported in 1889 fruit to the value of £31,699 to New South Wales: do you know what kind?—Mostly apples, pears, and plums.

102. Is fruit-growing regarded as a profitable industry in Victoria?—Some people make it pay them remarkably well, others say they cannot make it pay at all.

103. Is it extending or declining?—I think it is extending.

104. Is the jam-making industry increasing?—Yes. I may say that we have had a new market opened for that in South Africa.

105. What is the value of the hams and bacon produced in Victoria during 1899?—£104,281.

106. Are they exported at all?—I think to the northern colonies mostly. West Australia would take a considerable quantity.

107. Can oats be produced at a profit here for 2s. a bushel?—Yes.

108. Are the agricultural portions of Victoria much subject to drought?—The wheat districts are very much so.

109. How often do those droughts occur on an average?—We have had four years of drought in succession in the northern districts.

HARRISON ORD examined. (No. 216.)

110. *Hon. the Chairman.*] What is your name?—Harrison Ord.

111. What is your official position?—Chief Inspector of Factories for Victoria.

112. How long have you held that position?—Since 1893.

113. Can you tell us what is the number of persons employed in factories in Victoria?—I can only give the figures for the year ending December, 1899. They were—31,649 males, 17,897 females; total, 49,546.

114. What about boys and girls?—I cannot give those separately.

115. What constitutes a factory in Victoria?—In the majority of trades any place in which steam or mechanical power is used in preparing or manufacturing articles for trade or sale, or where four persons are employed. The exceptions are the bread-making and furniture trades, in which one person constitutes a factory, all being governed by the method of preparing or manufacturing articles for trade or sale. The Act only apply to cities, towns, and boroughs, so I have no statistics regarding persons outside such places.

116. Could you give us a list of the factories in Victoria, showing the numbers of persons employed in each?—Attached to my report for the year 1899 there is a table, a copy of which I hand in. [See Appendix.]

117. What is the largest number of hands employed in any one factory in Victoria?—I could not say just now.

118. What is the number of working-hours per day on the average?—For all females and for all males under sixteen the hours are limited by law to forty-eight. In the majority of places for adult males it is forty-eight hours.

119. Is that by statute?—No; it is only by arrangement.

120. What about the rate of wages for an adult male?—In my report I give the average wage, in the same way that I give the number of people employed. It varies immensely, from £2 7s. 1d. —which is the average wage in a very small trade—down to 10s. 11d., where women are employed in dressmaking and mantle-making.

121. Have you any Arbitration or Conciliation Act out here?—I believe there is one, but I have never known it to be brought into force.

122. A voluntary one?—Yes.

123. *Mr. Leys.*] You have a minimum-wages Board here?—We have what are called special Boards. The procedure is very much the same as of the Conciliation Boards, except that it is done by the Government and the resolution of the House.

124. How is that Board constituted?—There are different Boards for different trades. There are now twenty-seven Boards in existence.

125. How is it set up?—In 1896 Parliament gave power to the Government of the day to appoint special Boards, consisting of not more than ten and not less than four persons, to fix the prices to be paid by persons engaged in the manufacture of clothing, boots and shoes, bread, and furniture. The Governor in Council can appoint those Boards. In 1900 the power was greatly extended, so that a Board could be appointed for any trade carried on in a factory or workroom in Victoria if a resolution in favour of the same was carried in either House of Parliament. Originally there were seven Boards appointed; under the new power there were twenty-two Boards constituted.

126. Can you give us a list of the trades now under the scope of those Boards?—Millet broom, stonecutters, pastry-cooks, coopers, printers, woodworkers, saddlery, cigar trade, brick trade, pottery trade, woollen trade, tinsmiths, plate glass, engravers, jam trade, confectioners, jewellers, tanners, fellmongers, vehicle, clothing, boots, bread, shirts, butchers, furniture,* mantelpieces,* bedding,* underclothing.

127. What is the process by which a trade can come under the Board?—Up to 1896 all they had to do was to satisfy the Government of the day that there was some reason, such as sweating or long hours, but now they have to satisfy the Minister or some member of the House that for various reasons a special Board is desirable. In those cases which I have just read to the Commission some of them were moved by the Government on the ground that there was practically unanimity on the part of both employers and employés in their desire to have the wages fixed. A number of firms would be paying very good wages, while others would be paying low wages and have long hours. On that Mr. McLean moved resolutions in the House.

128. Does that cover the majority of the industries in Victoria?—No; it only applies to trades carried on in factories or workrooms. It would not apply to any dispute with wharf-labourers, or general labourers, or in ships. It is nothing like as wide as the powers given in New Zealand.

* One Board deals with these trades.

129. Have you found that employers resist being brought under the control of the Board?—In many cases there has been an absolute desire for a Board. In others there has been a passive resistance, while in others there has been an active resistance. There has not been a great deal of resistance to the appointments of the Boards.

130. Has the Board power to fix the working-hours as well as the wages?—No. For males over sixteen all the Board can do is to say, "We will fix 1s. an hour for males over sixteen or journeymen." Then, most of the Boards fix forty-five or forty-eight hours, and they say, "If you work them longer than that you must pay them extra."

131. Are the Boards appointed representative of the trades?—Under the Act itself half of the members of the Board must be representative of the employers, and the other half must be representative of the employés. They are elected by the employers and employés respectively. If they do not elect them, the Governor in Council can appoint them.

132. Who appoints the Chairman?—The majority of the Boards here consist of five employers and five employés, and those ten, or the majority of them, can appoint a Chairman. If they do not agree, then the Governor in Council appoints the Chairman.

133. Have the decisions of the Board, as a rule, given satisfaction?—I think, considering the immense issues at stake, and the tremendous powers of those Boards, that they have given satisfaction. It is surprising to me that there has not been ten times the trouble.

134. Is there any appeal?—No.

135. How long do they fix the wages for?—There is no limit, except that the Board under the new Act will be constituted for two years. It could be called together any time by the Minister of the day or the Chairman of the Board.

136. There is no finality?—They have to give a fortnight's notice. They can alter it. I think it is highly desirable that they should be able to alter it.

137. Some extraordinary statements have been published about sweating in Victoria: are those statements correct?—I can only say that I have no knowledge of it, nor do I think it exists to any great extent now. Means are provided to prevent it. Of course, there are low wages paid in some of those trades. Every one has his own idea of what sweating is.

138. In the clothing trade we have heard that there is sweating?—The man who is paying sweating rates in the clothing trade must be breaking the law. The minimum wage is £1 for women and £2 5s. for men. The piece-rates are higher. I absolutely deny, so far as the head of a department can, that there is sweating. There may be evasions of the law. Employés can sue for arrears. The department can prosecute.

139. Here is a letter written by Mr. Lemon in regard to the report on sweating. The writer says, "One of the trades referred to was that of the soap- and candle-workers, who gave evidence to the effect that a large number of the employés were working sixty hours per week, and the wages were reported to range from £1 5s. to £1 18s. 6d. . . . One firm employing full-grown men at 15s., and putting on boys at 6s."—I am not denying that there may be sweating in trades not affected by the system. I do not know whether those statements are true or not.

140. The soap- and candle-manufacturers do not come under the Act?—The employés have just applied to the Minister to move resolutions, and the allegations you have just read have been supplied to the Minister for the purpose of strengthening his hands.

141. Is labour well organized in Victoria?—It is a very difficult question to answer. If you ask me candidly for my own opinion, I do not think it is.

142. Would there be any difficulty in such a large industry as the soap- and candle-workers in securing the benefits of the Act?—I think my report, showing that 328 males of sixteen years and upwards (who received £1 and upwards in wages) were employed in the soap and candle industry in 1899 and receiving an average wage of £1 16s. 10d., shows that, while individuals may be paying the rates indicated, it is clear that a large number are paying more.

143. Is the information you are giving us supplied by the employers?—Yes; we are at liberty to question the employés. I think the Chinese returns are not as accurate as they might be, but those from Europeans are accurate.

144. What number of Chinese are employed in manufacturing in Victoria?—I have under my supervision only those making furniture or employed in factories. In 1899 there were 408 Chinese in the furniture trade, and in laundries, 165. The Chinese go in for cabinetmaking, but not upholstery.

145. It has been asserted that they have the entire furniture trade in their hands?—All I can say to that is that there are 1,103 males and 120 female Europeans working at the furniture trade. The Chinese have a cheap class of cabinetmaking in their hands.

146. Is the furniture trade under the scope of a Wages Board?—Yes; it was the first. It came into existence in 1897. The wages are regulated by the Board, and the employés should be paid not less than 1s. per hour.

147. It is not true that there is any sweating in the furniture trade as regards Europeans?—No, it is absolutely untrue. The only way in which sweating might happen is when a man makes furniture on his own account, or chooses to enter into a league with the employer, but that would not be sweating.

148. Can they maintain Board wages in the face of this Chinese competition?—Yes, because they do not compete very largely for the cheap class of goods. The Chinese have the common work in their hands.

149. Have you a Shops Act?—Yes; it is a very strong measure now. It limits the hours that women and men may work in the metropolitan district. It limits the hours in which women may work throughout the whole country. It fixes a half-holiday for every shop employé in the colony. It limits the hours in which shops may be kept open to 10 o'clock on Saturdays, and 7 o'clock on other nights.

150. Is it compulsory to close shops at 7 o'clock?—That is overridden, because we have a provision which enables a majority of shopkeepers to petition and get regulations for certain classes of shops.

151. In those circumstances, you cannot practically enforce the closing of shops?—We do, either at the hour fixed by the Act or the regulation. Some of the shopkeepers close at 6 instead of 7 by petition; but they are all subject to the fifty-two-hours limit, which protects the employes very largely.

152. Fifty-two hours is the maximum limit?—Yes, in which they can be worked without the permission of the Chief Inspector.

153. Do the shopkeepers as a class oppose it?—I think the majority of the shopkeepers would be heartily in favour of a uniform hour. They are greatly dissatisfied with the present haphazard way in which shops are kept open under regulations.

154. What about fixing the day for the afternoon holiday?—The shopkeepers in each municipality can fix their own, and many have fixed it. As a rule, it is Wednesday in the metropolitan district. The shopkeepers have the alternative of closing on Saturday.

155. Is there any strong desire by the trades to get a Conciliation and Arbitration Act on the New Zealand lines?—I am not aware of it. They want some means for going outside the Factories Act.

156. Has there been any public agitation within your own knowledge?—I noticed that at the last elections questions were asked, and the Premier promised to introduce a Bill.

157. Are wages paid to any extent in excess of the minimum wage fixed by the Wages Board?—Yes; in many trades it is a real minimum.

158. You do not think it becomes a maximum wage?—No. The better workman will not work unless he gets his price. The clothing trade was in a terrible state before the Board was established. We had cases in which mothers and girls combined were only making 10s. In one case that I have in my mind a girl is now earning £1 10s. At present girls are earning wonderful wages.

159. It has worked a marvellous change?—Yes.

160. *Mr. Reid.*] When a Board gives its decision how is it enforced?—The department enforces it. We very seldom go to some places, because we know they comply with the law?—In other places the Inspectors go round and question the employes. There are very heavy penalties imposed: for the first offence any sum up to £10; for the second offence it is not less than £5, nor more than £25; for the third offence it is not less than £50, nor more than £100. The registration of the factory may be cancelled by the Chief Inspector after conviction of the occupier for a third offence.

161. You have a system of inspection?—Yes.

162. Are there many Inspectors employed?—Nine male and four female Inspectors; and then I have the assistance of about thirty police Inspectors in the smaller districts; that is for the whole of the colony.

163. Does the Factory Act apply all over Victoria?—Only to cities, towns, and boroughs.

164. The boroughs can only be constituted, as a rule, if they have a certain population?—Yes.

165. What means have you for finding out new industries?—We should not extend the Act unless some great reason was given, even if a large factory were started outside.

166. You would not necessarily take that factory into consideration?—There are large factories at Braybrook with which we have nothing to do.

167. There may be large factories throughout the colony that may not be under your supervision?—There are three mills in Ballarat under my supervision. There is one mill just outside which is not. The Ministry of the day could extend the Act.

168. You do not find the tendency to extend it?—We could extend the Act within twenty-four hours.

169. *Mr. Luke.*] Are the persons constituting the Boards experienced in their line of business?—They may or may not be. In the majority of cases they are people actively engaged in the trades. It is the same with employes as employers.

170. The eight hours per day is not enforceable by statute?—Not for males over sixteen. I think in the majority of cases in large factories it is general.

171. What is the limit for young people to go to work?—They are supposed to have a Fourth Class State-school certificate.

172. Do boys of thirteen as a rule pass that standard?—I could not say.

173. Do all apprentices get wages in factories?—Every person employed in the factory must receive 2s. 6d. per week as a minimum—boy or girl. With regard to girls in the clothing trade, no premiums are allowed to be taken under any circumstances; but with boys they can take them.

174. There is no limit as to a premium?—No.

175. Is there any limit as to the time for which apprentices shall serve?—The Board usually fixes that.

176. What is the usual term of apprenticeship in a furniture trade?—For apprentices five to six years.

177. In the clothing trade?—Seven years. In the boot trade five years, both for males and females. In the clothing trade it is seven years for males, and five years for females.

178. There is no limit to the proportion of apprentices to workmen?—Yes; the Boards have control over that.

179. What is the term for apprenticeship in the engineering and boilermaking trade?—We have no Boards in that trade and in no branch of it. We have just received some petitions for Boards.

180. *Mr. Beauchamp.*] I suppose the only Acts you have in force protecting wages are the Labour and Factories Acts?—Yes.

181. The Arbitration and Conciliation Act is a voluntary one?—Yes.

182. Has there been any attempt to introduce one on the lines of the New Zealand Act?—I believe Mr. Best and Mr. Trenwith introduced one last session.

183. Are you of opinion that crying abuses in regard to any particular trade have been remedied by the bringing into force of the Minimum Wages Act?—I have no doubt whatever. Our system is a little cumbersome in the way we elect the Boards.

184. Do you think there is a chance of legislation being passed to make it less cumbersome—to regulate any particular trade in which there may be abuses at the present time?—At the present time it requires a resolution of the House. I think, myself, that the Ministry of the day might very well be trusted with the power. New Boards would have to wait some time before Parliament meets.

185. We saw a statement in this morning's paper that there are about ten thousand Chinese employed in factories in Victoria?—They are not employed in factories.

186. A great many are employed in factories?—I know of them all. Every Chinese must be registered.

187. In the furniture trade there are 488, and in laundries 165?—Yes.

188. Have you particulars of other trades?—That is the total. I think there is one Chinese who is a watchmaker.

189. *Mr. Millar.*] What is the object of making the Factories Act apply to cities, towns, and boroughs?—That is to save the expense of applying it to large districts.

190. Do you think the Act ought to be operative all over the colony?—No, I do not. I think the present provision is ample.

191. Do you not think it is right for a factory in the country to be regulated as to sanitation the same as in a borough?—It is equally right.

192. Could you not adopt the New Zealand system and appoint the police of the district?—We do that here. I have not had any cases brought under my notice. The very fact of the power being in existence is a great check.

193. Is there any provision made against giving work out of the factories?—It is not prohibited. They have to keep an account of what they give out.

194. Does the Wages Board extend to a contractor outside of the employer?—No one escapes; it applies to every one without exception. The clothing trade and every one employed in making clothing for sale comes under it.

195. Suppose a woman and her two children receive certain work from a clothing-factory, how do you get at the wages?—The factory would have to keep an account of the work given out, and the price paid. The lady Inspectors, of whom we have four, would visit the house and ask what was paid. We depend on the women themselves to give information. They are registered as out-workers.

196. I have your report here to 31st December, 1898: have you been able to deal any more fully with the Chinamen than your report shows?—No.

197. You say, "They beat us all along the line": you still find that is the case?—Yes.

198. You say your statistics with regard to the Chinese are valueless, because you say you could not take their word?—That is so. They prove conclusively by figures that they paid very much higher wages than Europeans.

199. Does your Mr. Ellis still report on the same lines as this: "Furniture-makers will have to close up because of Chinese competition"?—I would not express an opinion like that. The furniture trade is improving, and the machinery and cabinetmaking is enabling them to hold their own. I think that statement is far too sweeping.

200. You admit that as far as the Chinese are concerned?—The only thing I can prevent them doing is working too late at night, and then it is difficult to prove it as to laundries.

201. There appeared in the *Age* of 25th January an account of a meeting in the Trades Hall. It was stated that in the sugar-refining business the hours were nine and a half to ten per day, that a large number of boys were employed, and there was a large amount of Sunday labour?—The whole of these facts were presented to the Minister of Labour the week before last, and they have now been referred to me to report on. I have not had time to touch them yet.

202. Subject to the approval of the Minister, after you had gone into this matter could you give us further information?—Some of these I shall not be able to do anything with. Trades such as hairdressing do not come under the Act. The others I will inquire into and get the particulars.

203. You see it would be a very serious matter for the workers of New Zealand to come into the Federation if such conditions exist. In New Zealand men are given a fixed wage, and by law have their hours regulated?—I take it the Commission does not believe that these wages are the general rule. These people are taking the extreme case of the sweater, and the average employer here in spite of all that is said is not a sweater. In the soap and candle trade the employés receive an average wage of £1 16s. 9d.

204. In taking out that average you take every one employed: suppose one were paid £7 a week?—Proprietors and general managers are not included. That is shown at page 34 of my report for 1898. If the employer includes them, we do not include them.

205. Take, for instance, a large engineering shop: you would include the whole of the foremen in the different departments?—Yes.

206. So far as the average wage is concerned, it is misleading to give as an average journeyman's wage £1 16s. per week, because you have to take in amounts considerably higher than journeyman's wages?—I have mine arranged in the average way. The average wage goes from £2 7s. 1d. down to 10s. 11d. I think the fact of that immense range with all these hundreds of trades is a fair indication of the wages paid.

207. I maintain that no man who is receiving a higher wage than the average should be included. Ten shillings per day is the average. You include the foreman's weekly wage along with the journeyman's wage?—I have always regarded foremen as a superior kind of journeymen.

208. Is the Workers' Compensation Act in force?—No.

209. You have an Employers' Liability Act practically the same as that of England?—Yes.

210. With regard to the minimum wage of 2s. 6d., does that apply to shops?—Only to factories.

211. Have you found in Victoria the shops are the biggest sweaters of the lot?—No; I do not think the shop-people are as badly paid as in the factories. Undoubtedly there are shops in which employes receive nothing.

212. Our experience in New Zealand is that the bulk of the girls receive nothing for twelve months?—That is the same here.

213. Could you give a copy of the returns for 1899 in which you show the average wages?—Yes.

214. The hours of labour in the bulk of the organized trades are eight?—Yes. There are exceptions.

215. From your knowledge of the labour conditions throughout the continent, do you think the conditions here are superior to those of New South Wales?—I know very little of the conditions of New South Wales. I am told that in the clothing trade the wages are very much higher here in consequence of the Board. You would see advertisements in the Sydney Press for machinists at 13s. and 14s., whereas the minimum here is £1. When you see 13s. and 14s. advertised, you will understand that they employed people for less than that.

216. Can you say how federation is going to affect the matter?—So far I have not had any evidence put before me that high wages means increased cost. In the clothing trade the immediate effect of the great increase in wages was a better system. Good wages almost invariably means increased production.

217. Is there a general trend in Victoria towards the specialisation of work in factories?—Yes, to an immense extent.

218. The industries of Victoria are in a much more forward condition than in the other colony?—There, again, I cannot speak from personal knowledge.

219. Would it be possible to give the number of hands employed in the three largest factories in the principal industries of Victoria?—I am prohibited under penalties from supplying names.

220. Could you say in the engineering trade 1, 2, 3, and give the number of hands employed?—Yes.

221. Keep the females separated from the males, and the number employed under eighteen years of age?—Up to this year I have only been able to get the wages up to sixteen. This year I will have them up to twenty-one. In my new report I will be giving that information. I will give it to the Commission according to the information I have.

222. Say, boots and shoes, clothing, engineering, cabinetmaking, soap- and candle-works?—I will supply three in each, and call them A, B, and C.

223. *Hon. the Chairman.*] What are the average wages paid in the sugar-works?—I have the figures only up to sixteen for 1889. The average wage for sugar-refining was £1 15s. 7d. The average wage for 210 persons of sixteen years of age and upwards and receiving £1 or over was £2 2s. 7d.

224. That is very much in excess of what was represented to us?—I think the great fault is that employes single out exceptional cases.

225. *Mr. Beauchamp.*] Have you a Masters and Servants Act?—Yes, but it is practically inoperative.

226. *Mr. Leys.*] Is there distress here?—There has been considerable distress in the boot trade, but that is common to the world. The only cases which have been brought very prominently under my notice are two trades in which machinery has been introduced—namely, boots and printing.

227. Do you think there is an excess of production?—I believe we have machines here that do the work of twenty men.

228. We have been told that the Victorian boot-factories could supply all Australasia with boots?—I have heard it stated that five of them can do it, but, then, that was immediately contradicted by some other leading boot-manufacturers. It is very hard to say.

229. It is a fact that the boot-factories are largely in excess of the requirements of Victoria?—They could produce an excess undoubtedly.

230. Do you know any other lines of business in which there is a large capacity for production?—Even in the boot trade we are often asked for permission to work overtime. I hear a statement like that and a week afterwards I will be asked for permission to work overtime.

231. Do you not think it suits manufacturers to keep surplus labour and work their machines irregularly?—I have not the faintest doubt that all manufacturers like to have a surplus. That is why I say the wages are good now, because there is not a surplus. A surplus is always used to cut down wages.

232. Do you think the unemployed are mostly unskilled workers?—I think so. The really good workman, to my mind, gets employment even in the boot trade.

233. With regard to compensation to workmen, is there no movement to bring the new English Act into force in Victoria?—Sir Henry Wrixon introduced it here, and I have recommended every year that something should be done. Some of the cases we have are iniquitous—when children are injured and get no compensation.

234. Does the feeling lead you to think that the Act will be passed?—It is difficult for any one to say, but I cannot imagine there will be any difficulty.

235. Does the opposition to such acts as that come from the Upper House?—It has never been passed by the Lower House.

236. Is it true that there is very dense poverty in the working population in Melbourne?—Of course, as regards the trades under the Boards, it is untrue. I am poor compared with the intensely rich. I think our population is wealthy compared with the European standard.

237. One witness says he never saw such poverty as he saw here?—I think that is utterly absurd. It is common knowledge that we have not the poverty here that they have in England, and never will have.

238. *Hon. Captain Russell.*] Are there not people unable to get work?—There is work for every one, I think; but on the farms it is notorious that very low wages are offered.

239. Are there people in Victoria who refuse to work?—I do not think so.

WEDNESDAY, 3RD APRIL, 1901.

HON. ALEXANDER JAMES PEACOCK, M.L.A., Premier of the State of Victoria, examined.
(No. 217.)

240. *Hon. the Chairman.*] What is your name?—Alexander James Peacock.

241. You are Premier of the State of Victoria?—Yes.

242. What portfolios do you hold?—Treasurer and Minister of Labour.

243. You understand, Mr. Peacock, that we are commissioned to ascertain whether it will be for the advantage of New Zealand or otherwise to enter the Federation of the Commonwealth of Australia. We want to ask you some questions—amongst others, what is your opinion as to how the finances of the different States will be affected under federation, more especially having regard to what has been called the smaller States. You are aware that under the Commonwealth the Federal Government take control of the Customs?—Yes.

244. What do you think will be the effect of that upon the finances of the different States?—In what way?

245. In one way, as to how their revenues will be affected?—It is such a big order at this stage that I would not like to express an opinion. I understand you are not publishing the evidence.

246. We are publishing it to Parliament afterwards?—Until we have had some little experience it is hard to say, as we are in a transition stage. The view I have put before the country since I have taken the Treasurership is that we will have to be particularly careful in the State of Victoria. The abolition of our inter-State duties means that the revenue we have received at the borders will be gone. Of recent years we have not received so much from duties on account of the drought; still, our revenue, as you have noticed, has been increasing. People seem to think that they ought to get more out of the Government. We will have to be careful in the State of Victoria, as there is going to be increased expenditure. It is pure guesswork as to what it is going to cost us.

247. The Federal Government can retain up to 25 per cent. of the Customs revenue for ten years?—Yes.

248. Do you imagine that will be continued, or that the Federal Government may require more than the 25 per cent., or that they may legislate for retaining the whole?—It would be a big order to express any opinion on the point as to what would happen ten years ahead.

249. There is the "Braddon blot"?—We Victorians supported that, because we wanted to know exactly where we would be landed. By having that 25 per cent. fixed in the Act for ten years we would know where we were drifting.

250. There was considerable opposition even to the period of ten years being fixed?—No.

251. Why was it called the "Braddon blot"?—It was called that by Mr. Reid, who was opposed to anything of the kind being placed in the Constitution. Those who held there ought to be some limitation in that direction could suggest nothing better. Finally, when the Premiers' Conference was held they discussed the question over again. Whilst it was adversely criticized by those who were opponents to federation and others, nothing was suggested by them in the end. There was never anything suggested in its stead in the nature of a workable scheme.

252. May I ask you how do you think the public finances of Victoria will be affected by federation? What do you anticipate the tariff will be?—A moderately protective one.

253. A lower one than you have now?—Yes.

254. How will that affect your finances here?—I do not think it will affect us adversely.

255. You will not have to make any sacrifices?—No.

256. Take the smaller States—Tasmania, for example?—Yes.

257. How about South Australia?—Yes; they have such a big debt too. It is a serious matter for them.

258. How are they to make up their deficiency?—It would take us all our time to deal with our own little affair here. We have gone into certain expenditure, and we will have to be careful.

259. Suppose the smaller States require to raise certain loans and have parted with their Customs, how are they going to do it?—It will be a very difficult matter, and require serious consideration.

260. You cannot give an opinion?—No; even with my short experience as Treasurer of nearly two months we cannot forecast anything as to how things are going to turn out.

261. How do you think New Zealand will be affected by federation, having regard to her distance from the central seat of Government?—I think there will be a great difficulty. Sentimentally, I would like to see New Zealand in the Federation, but there are great difficulties. I think, for

example, our farmers would be hostile to your people coming in. There is the question of New Zealand oats. I shall never forget after the Conference Captain Russell attended here, and after the Convention in Sydney, one member put it very forcibly that federation was no good, as if New Zealand came in her oats would come in.

262. Are the oats better?—Yours are better I am told.

263. Victoria supplies herself with agricultural produce?—Yes.

264. Why should the farmers be afraid of New Zealand?—You know what farmers are: they are most difficult people to deal with politically. You cannot shift them.

265. Assuming that everybody in the Commonwealth were anxious to have New Zealand in, do you think the distance would be a great disadvantage?—Yes.

266. What about the postal arrangements? We have our penny-post: do you think that would be preserved to us?—I am certain of that. There would be no difficulty about that.

267. What advantages do you think New Zealand would gain by coming in?—She would get the whole of the Australian market.

268. And intercolonial free-trade?—Yes.

269. Anything else?—There is the defence question; but I have not studied that.

270. Is there any other matter you think would be of advantage to New Zealand?—No, except the question of union in the southern seas. The people are of the same race, and their sympathies are similar.

271. Is there any large trade with the Pacific islands?—Not much; it is done with New South Wales principally.

272. Whether New Zealand comes in or not, that would not affect Victoria as regards trade with the Pacific islands?—No.

273. Have you any opinions of your own on the coloured-labour question?—Yes; I feel very strongly in favour of a "white" Australia.

274. Do you think that is possible?—I have only been in Queensland on three occasions. I admit that, as the State has encouraged an industry of that kind, it would be very difficult to suddenly abolish it. Personally, I favour the views of Mr. Barton in gradually eliminating the traffic. I have seen so much trouble caused in administering the Factories' Act in regard to aliens. The Chinese are able to defeat us. When dealing with the Wages Board I fought strenuously against the view of having an elective Wages Board. I said the Government ought to appoint men, and be responsible for their appointment—men who have had the confidence of both sides of the House, but the House was against my view. When we came to the furniture trade Board we found that there were more Chinese voters than Europeans. Then we had to pass a Bill in regard to that. The Chinese are able to defeat us.

275. *Hon. Captain Russell.*] Do you think it possible by legislation to keep coloured races from coming into Australia?—I very much doubt it.

276. You know of no case in history where the European has laboured continuously for generations in the tropics?—I cannot remember.

277. You seem to have some apprehension about State finance?—Yes.

278. Is it likely you larger States will have to come to the rescue of the smaller States?—When a referendum was taken that aspect of the question was put. Having once become united, the result will be in exactly the same way as the State now deals with a portion of its territory in the case of a flood or bush-fire—the State as a whole recognises the need of a small community and helps. When we have once got into the Commonwealth and are all really one, then the same view will arise.

279. You think that in all probability, in the course of a few years, the Commonwealth will have to absorb the liabilities possibly of the smaller States?—I do; generally becoming more of one State.

280. In other words, that federation will more or less be sacrificed to unification?—Yes.

281. You think that unification in the hereafter is within the reach of possibility?—Not exactly in that way. For example, difficulties will arise as regards the finances of West Australia. When we are all united together, if the West Australian State finances are being adversely affected the Commonwealth as a whole must stand by them in the interests of the people as a whole.

282. Do you think there is a possibility of the absorption of State powers by the Federal Government?—Gradually, I think, certain powers now remaining with the States will be referred to the Federal Government.

283. Do you think the tendency will be to intensify State powers, or to gradually obliterate them in favour of unified power of the Commonwealth?—I certainly think it will be in favour of uniformity.

284. Will not that be disadvantageous to New Zealand, seeing we are so far off?—I think so. I remember Sir John Hall referring to this matter.

285. You think there will be the tendency to aggrandise the Commonwealth at the expense of the States?—I do not call it "aggrandise," because it will be in the interests of the people.

286. Perhaps to absorb?—Yes; I believe our railways will be taken over, and also the Victorian legislation. I think our Victorian legislation is fairly perfect. South Australia is passing an Act exactly on the same lines as I passed some years ago.

287. *Hon. Mr. Bowen.*] As to the tropical question, it will affect territorially half of Australia?—Yes.

288. In looking forward I do not consider it is possible all that area can be brought into use without coloured labour?—That is a matter on which you can only get definite information on the spot from those who have experience. I have never offered any opinion on that point.

289. As to the smaller States, you were saying it was possible they would have to be relieved. Take the case of Tasmania: I think there was an idea on foot that Tasmania would be best helped

by being incorporated with Victoria: do you think if that is possible that idea will recur?—I do; it would save the expense of government.

290. Do you think such a movement as that would be likely to come from the smaller States?—Yes; after they have the experience of a few years and see how the finances will be affected, the proportion required for the Federal Government will be so much, and they may require extra taxing for carrying on the government, that there will be a crying-out on the part of the people. Tasmania does most of its business with us, and then its mining interests, which really saved it, are entirely due to the investment of capital from here.

291. Is that idea in the air?—I never heard it mentioned recently.

292. *Mr. Roberts.*] The New Zealand farmers do not fear federation; our manufacturers do. They hold that, the manufacturers being on a larger scale here, they could not compete with them on an equal footing?—Our woollen-people, for example, are frightened of your woollen-mills. You have nothing to fear with the good products you turn out.

293. Take the boot trade: they are much afraid that you are manufacturing here larger quantities than you use yourself, and that your manufactories will be dumping down on our shores considerably under cost?—I should not fear it.

294. Your manufactories are on a large scale?—Not as large as they might be. The boot trade was lost to Victoria when the great strike took place some years ago.

295. *Mr. Millar.*] After the first two or three years do you expect any portion of the 25 per cent. from the Customs duties will be refunded?—I think so. I have great faith in Sir George Turner as Treasurer. He was blamed that he did not immediately proceed in favour of the Bill, without looking carefully into the finances. The people have been able to see that he was advising them that whilst sentimentally it was a grand thing it was his duty to point out how the finances would be affected, and that each citizen would have to pay more than he would under the old condition of affairs.

296. There is a strong desire on the part of Australia to have penny-postage introduced. You know that the departments of all the States have deficits. In the event of penny-postage coming in that deficit will be increased?—Yes.

297. Do you think that will absorb a large portion of the 25 per cent.?—Yes, we will have that experience here after our penny-post.

298. As far as the Federal Parliament is concerned, it will be a gradually increasing expenditure?—Yes; the experience of the Commonwealth will be the same as we have had here when our finances fell off by a couple of million pounds. Our expenditure on our State pensioners rose when we could least afford it. Everything combined against us. So it will be with penny-postage. The States are uncertain as to what is to come back to them. If penny-postage were carried out immediately it would adversely affect our finances.

299. That is one department in which you anticipate a considerable loss?—Yes.

300. If the Federal Parliament passes an Old-age Pensions Act, that will absorb a large amount?—Yes.

301. Do you not think that those two amounts will absorb the 25 per cent.?—I think so.

302. They are committed to the old-age pensions?—As part and parcel of the Barton policy; but I think they will raise the cry that Victoria is trying the experiment, and that the New South Wales Act will be coming into force on the 1st July.

303. Those two States will require a large amount of money?—Yes.

304. The population of the other States is comparatively small?—Yes.

305. If it applies to Tasmania, which is one of the older colonies, there will be a considerable expenditure there?—Yes.

306. You have no idea what the expenditure on defence will be?—No.

307. What do you anticipate will be Victoria's contribution after two years?—I have not gone into that question.

308. Do you think there is any man in Australia who could tell us of the financial effect?—No; it is all guesswork.

309. In fact, it has been a leap in the dark?—Yes; I would not take any notice of estimates.

310. Your Factories Act applies only to cities, towns, and boroughs?—Yes; but we have power to extend it. There was a great dread on the part of country districts that they were going to be brought under this "extremely socialistic legislation." We admit that rates of pay are not so high in the country as in the city. We have reserved power to extend the Act when complaints are being made. We have an Upper House here, you know, which is a fixed and powerful one.

311. Your Factories Act constitutes four employés a factory?—Yes, except in the case of Chinamen, when one Chinaman is a factory.

312. How can you keep a check on sweating when nothing under four is under control of the Government?—There is a difficulty. We wanted to make every one a factory, but we had to take what we could get.

313. In New Zealand we have two. You had some deputations waiting on you lately, and, according to the report, a bad condition of affairs was shown?—That was a body of men not under the operation of the Wages Board, and they are agitating to be brought under it.

314. There were thirty trades represented. Do you think this statement is correct: that in the sugar-refining business the men worked ten hours a day, and a large number of boys are employed, who work for 12s. a week?—Those trades have asked to be organized since the passing of the Factories and Shops Act. Following on that they waited on me and asked to be brought under the Act. It was very strange that the Upper House passed it. On the motion of a private member of either House, without the Government of the day coming down, a majority can create a Wages Board. The men got organized, collated these figures, and asked me to move the resolu-

tion. I said I would have their information analysed. The employers who originally opposed the legislation are now in favour of it.

315. It gives the fair employer a chance?—Yes.

316. With your experience, how do you find the Wages Board acts?—Remarkably well, except in one case. The Rev. Mr. Edgar was selected by both sides to act as Chairman of the Clothing Board. They took nearly two years to complete their log, and there was not a casting-vote given by the Chairman. The manufacturers who were opposed to it do not complain.

317. What powers have these Wages Boards?—The operators have fought hard to have power. They are to have no administrative powers.

318. There is power to regulate the number of boys and girls?—Yes.

319. You have no Apprentices Act in force in this colony?—No.

320. Is there any feeling in Victoria that there ought to be a Court of Arbitration?—Yes.

321. If that is done the Wages Board would go?—That has not been raised. Mr. Trenwith and Mr. Best went to your colony and got a lot of information.

322. Have you any legislation in the interests of the workers outside of the Shops and Factories Act?—No. As a Government we are pledged to work on compensation, and also to arbitration and conciliation.

323. How do you think federation is going to affect the manufacturers unless you have an Arbitration and Conciliation Board?—It is a remarkable thing that the public did not cry out about it. From my experience as a member of the Convention, the question of uniform factory legislation might have been raised. It shows that care should be exercised in dealing with a public question. It was not suggested in the Conventions that the Commonwealth should take over factory legislation, yet our Act was in operation.

324. Is it not a fact that the hands of each State will be virtually tied as to labour legislation?—No.

325. If you in Victoria desire to have an Eight Hours Act in the interests of your own employers and employes, you dare not bring it into force so long as you know that New South Wales is working on different lines?—Yes; it will not be prevented.

326. You cannot do it in your own interests, because if you are to touch the conditions of the manufacturers that did not apply to New South Wales it would unduly affect your people here?—Yes; that was one of the reasons that caused our labour people to pass it. The same argument was used as to old-age pensions. I said it would be used as an argument for dealing with it in our respective States. When it was put in our people said it ought to be dealt with by the States, because it was said the Federal Parliament could not deal with it for years. The general tendencies will be to bring the higher-paid States down to the level of the lower to enable them to compete.

327. In New Zealand we have a lot of what is called "restrictive legislation," and it will be absolutely impossible for New Zealand to maintain that legislation and enter into competition with New South Wales under the conditions we have at present, because freight and charges amount to a mere nothing?—That is how some of your people will view it.

328. You said you had a lot of trouble with the Chinese here. In the report of your Labour Department the Chief Inspector said that the Chinese were too diplomatic for him: is there no way of crushing them out?—The suggestion is that they should pay a heavy license-fee.

329. Something like a poll-tax?—Yes.

330. I suppose it would be somewhat difficult to carry that out?—It would.

331. They can come to Victoria from New South Wales and other colonies now?—Yes. The old-time Chinese diggers have been going down, but the population in the cities is increasing. In my constituency in the country the Chinese are dying out.

332. Do you not think that in the course of a few years the people of Australia will cry out against the expenditure incurred by the State Parliament?—Yes; undoubtedly, there will be a reduction in expenditure.

333. If the State Parliament is brought down to the position of being only a little better than an ordinary Road Board the people will want to know what is the use of it?—The State Parliament will still have the Lands Department, and the Mines and Water Department, which the Federal Parliament could not deal with. After the Federal Parliament has dealt with the tariff, all the other questions they have power to deal with will not create much fighting. It will not sit long. When the tariff is passed there will be a general consensus of opinion throughout Australia that the tariff ought to remain for some time in the interests of business-people.

334. What functions will there be for the Federal Parliament after they have taken over the main revenue-producing departments and legislated on the thirty-nine subjects referred to them? Will they not develop into a purely administrative body, having control of purely revenue departments?—The Federal Parliament will not have much to do, but they will be liable to be called together in the event of emergency.

335. Do you think it is going to pay a State such as New Zealand to contribute £500,000 per annum for the pleasure of having one administrative body taking control of the finances?—That is not for me to say.

336. *Mr. Beauchamp.*] You said that probably the farmers would be hostile to federation?—Yes.

337. One witness expressed the opinion that had New Zealand evinced a strong desire to become portion of the Commonwealth one of the strongest objectors would have been Victoria: do you hold that view?—No; there would have been a bigger vote in the farming districts against the acceptance of the Bill. Mr. McLean raised the point that our land would depreciate in value if the Federal Bill were accepted, and prices would go down to the level of the prices of New

South Wales. It did not have that effect. The farmers here believe in protection for themselves and free-trade for everybody else.

338. One of the questions raised is that unless we federate with the Commonwealth possibly friction may arise between the Commonwealth and New Zealand in respect of the control of the Pacific islands?—I think that ought to be left with you people. Your trade relations are with them.

339. Sydney has a large trade with the Pacific islands?—I do not think there is anything in it.

340. It is highly improbable that any friction will arise between us?—I do not think so.

341. Do you think the Commonwealth will take the State debts over?—I would not say that they will do so at an early date, but ultimately they will.

342. With regard to our Arbitration and Conciliation Act, do you think it possible that an Act on similar lines will be passed by the Commonwealth?—Not for some time.

343. Do the Wages Boards answer, in your opinion?—Yes.

344. As to the Chinese, we saw a statement in the morning paper in which it was stated that there are something like ten thousand Chinese employed in factories in Victoria: that is an exaggeration?—Yes.

345. You have a method here by which you register the numbers?—Yes.

346. As to the "white" industry, we have been told that there is something like £8,000,000 invested in the sugar industry, and the product is about £2,000,000 per annum?—Yes.

347. If it can be shown that this industry cannot be carried on except by black labour you would give way?—Yes.

348. We have some particulars given us about the boot industry. It was said that New South Wales under free-trade had produced something like three million pounds' worth in one year, as against two million pounds' worth in Victoria?—It is remarkable how they can use figures.

349. *Mr. Luke.*] You said that the farming classes were against New Zealand coming in?—Yes.

350. How do the towns look at it?—They favour it.

351. The large manufacturing industries, such as engineering, bootmaking, and furniture-making, you think, would be favourable to New Zealand coming in?—Yes.

352. Did I understand you to say that the Boards have power to regulate the number of boys in factories?—Yes.

353. Have they been called on to enforce their judgments in Courts of law?—We do that.

354. Have you had to do it often?—Not very often. The manufacturers usually accept the conditions.

355. If the Commonwealth took over the railways, that would mean that they would undertake the construction of new lines?—Yes.

356. In that event New Zealand would be prejudicially affected, inasmuch as she would not have the same interest in those lines as the other colonies?—You would be at a disadvantage in that way. That ought to be reserved. The Federal Parliament ought to know your circumstances. There would be conflicting interests.

357. You think there would be reserved to New Zealand additional powers in addition to those reserved to the States within the Commonwealth?—Yes.

358. As regards the Civil Service, you think the Federal Parliament would set up a Civil Service Board to regulate the public servants?—I think so.

359. Would New Zealand be prejudicially affected as regards appointments supposing she came into the Commonwealth?—She would if she came in later on when the appointments had been made. Sir George Turner does not believe it will be necessary for the Federal Parliament to have a large body of State officers or to create a new public service.

360. If they gradually absorb the powers of the State they must multiply the Civil Service?—Yes. It is marvellous how some of our officers here have, under the new Service, viewed the matter. Officers wanted to get transferred to the departments that were going over. Others in the Post Office and other departments viewed it differently and did not want to go.

361. Supposing we entered the Federation, would the Civil Service of New Zealand be affected?—Only so far as the big plums are concerned, but not the general body of your Service.

362. As regards Imperial federation, do you think it would be an advantage for New Zealand joining the Commonwealth of Australia, or would it hasten Imperial federation?—I believe it would hasten it. Personally, I would like to have some form of Imperial federation. I believe it will ultimately come to it.

363. Do you think the advantages of trade which entering the Commonwealth may open to us in an open market will be a sufficient equivalent for resigning our independence?—I have never been to New Zealand, and could not express an opinion.

364. The difficulty, you see, in our joining is the open market?—Yes.

365. *Mr. Leys.*] Do you think federation would have come about so soon in Australia if it had not been for the friction in border disputes?—Yes.

366. You think that was the main thing?—Yes.

367. That would be no argument for us to come in—we have no such difficulties?—That is so. It was really the Australian Natives' Association that carried federation through. Although the average Australian might not like certain items in the Bill, yet, in view of the Imperial spirit, no power would stop the people from voting for the Bill. As we are all on the continent, our interests are identical.

368. There are interests common to Australians that would not be common to Australians and New-Zealanders?—Yes. Tasmania was unwilling to come in, but Tasmania had to come in. They could not remain out whether the Bill was good or bad.

369. In many instances it may be to the advantage of Australia as a whole for the Federal Government to take over State powers, but it might be to the disadvantage of New Zealand, as

she is entirely disconnected?—If you came into the Commonwealth you ought to have certain powers reserved to you by which you would be able to legislate on certain matters for yourselves. Although the Federal Parliament might be able to legislate on those particular questions for the whole of Australia and Tasmania, you ought not to be legislated for by the Commonwealth Parliament on those particular points.

370. Do you think, if New Zealand proposed to join, that the Federal Government would be disposed to give us such special conditions?—I do. I think the people of Australia would recognise that.

371. Supposing we do not come in, do you think there is any chance of our having reciprocal commercial relations?—I do. The politicians may not favour that view, but the people of Australia would favour it. The people know we are all Britishers, and would say, "Why should there not be reciprocity?"

372. You recognise that the distance is a serious obstacle?—Yes. It is said that £500,000 would be the cost to New Zealand, but from a defence point of view that would be of great advantage to the interests of New Zealand.

373. You think there would be no difficulty in arriving at a mutual agreement as to defence if we stood out?—I only know of your wants and desires by what I have read, but I think New Zealand could come into the Commonwealth from the point of view of defence and still reserve to itself the power of dealing with certain matters. Take old-age pensions, for instance: there should be uniform legislation in Australia, because of the way our people shift about.

374. As to tropical Australia, I suppose there are matters there that the Federal Government may have to deal with that would be of no advantage to New Zealand?—Yes.

375. *Hon. Mr. Bowen.*] Has any friction arisen with regard to the Wages Board and the clothing trade?—They have just started it.

376. Have the members of the Board resigned?—That is so with the woollen-mills. The fellmongers objected to come under it at first. The Act does not say that five operatives, or five actual employers, have to be elected. The operatives were afraid some of them might be "spotted," and they elected a secretary of the trades-union. There were only ten on the roll of employers. Five were elected, and they came to me and said, "We are not going to sit with these men, because one is the secretary of the Trades' Hall of Ballarat." I said, "You will have to take the responsibility of your actions." I appointed one of the Supreme Court Judges, and he is working with one on each side.

377. *Hon. the Chairman.*] Do you think there would be any objection to New Zealand coming into the Federation?—No.

378. *Mr. Beauchamp.*] You say the Commonwealth, in your opinion, would allow New Zealand to reserve certain powers?—Yes.

379. *Hon. the Chairman.*] Will you look at clause 96 of the Commonwealth Bill, as regards the granting of assistance to certain States?—I think that would apply to Tasmania, or possibly South Australia.

380. There would not be free gifts to them?—No.

381. Certain advances in the nature of loans?—Yes, providing for their payment, or reduction from the proportion going back to the particular State that has received assistance; exactly as we had to do in times of distress in connection with one of our Municipalities?—The State came to their assistance, and they were able to repay it afterwards.

Captain ROBERT MUIRHEAD COLLINS examined. (No. 218.)

382. *Hon. the Chairman.*] What is your position?—Captain in the naval forces and Secretary for Defence for the State of Victoria.

383. How long have you been in the colony?—Since 1880.

384. Do you know New Zealand?—I have been to Auckland in Her Majesty's navy on three occasions.

385. You are aware that defence is one of the matters taken over by the Commonwealth Government?—Yes.

386. Do you think it would be of any advantage to New Zealand in the matter of defence to join the Commonwealth? How do you think New Zealand would be affected in the event of war?—I think, chiefly from a naval point of view, the time must come when Australia will have its own naval force. I have held that opinion for some time. The defence of Australia will depend entirely on naval questions. It is not a military question. The part that Australia will play will be largely naval. When Australia sets up a naval establishment of its own, as it undoubtedly will, it certainly would affect New Zealand. New Zealand could scarcely stand a navy of her own unless she got more wealth than anticipated.

387. At what period of time do you anticipate the Commonwealth of Australia will have enough funds to support a navy of her own?—I think the initiatory stages could be taken early. I think the present auxiliary squadron should not be maintained on its present footing. The Imperial Government should provide suitable vessels, on the cost of which the Commonwealth might pay the interest, but the Imperial Government would undertake the manning.

388. If New Zealand did not come in, do you think the British navy, under certain financial conditions, would be withdrawn from New Zealand?—The protection of the British navy would not be entirely withdrawn as long as we remain a part of the Empire. I think the protection of these waters by a naval force will in the future be very important. When the Commonwealth of Australia becomes more powerful they will want to have some control in naval affairs, as they now have in military affairs. There might then be a Federal Council, in which the colonies will be represented, and which will deal with the defences of the Empire and the expenditure. I am not quite sure if that will work out satisfactorily.

389. Do I understand you to say that land forces will be the most important factor in Federal defences?—I certainly think not. I do not think Australia should be called upon to maintain a large standing force. All that is required is a military force to protect herself. Directly you consider Australia as part of the Empire, then the question can be looked at from a different light. A body of experts might consider that the rôle which Australia could most effectively carry out as her share of Imperial defence would be military, and not naval; that she could raise a certain number of forces trained in a way that could not be raised and trained in another portion of the Empire, and also could be strategically available for portions of the East. In that way opinions might go against the establishment of naval forces in Australia. The Imperial naval force might be extended by giving assistance to the training of men locally.

390. Do you think, in the event of war in the near future, that Australia would be able to render assistance by land forces to New Zealand?—If British naval supremacy remained New Zealand could not be attacked in force; and as any attack on such condition could only be a raid it is difficult to see in what manner military assistance could be rendered by Australia. If British naval supremacy was gone Australia would have enough to do to look out for herself.

391. What is the total land force in the whole of the Commonwealth of Australia, including Tasmania?—I should think, between twenty and thirty thousand.

392. New Zealand has enrolled fifteen thousand at present: do you think Australia would be able to spare very many out of that twenty-five thousand to New Zealand?—I do not think she could assist New Zealand.

393. About small-arms ammunition, is that manufactured locally in Australia?—Only in Victoria.

394. Is there sufficient machinery available there to supply all the requirements of small-arms ammunition in the Commonwealth?—No.

395. Supposing you had a navy here, how long do you think it would be before Australia could manufacture its artillery ammunition?—They could manufacture the small ammunition for the field-guns in a very short time.

396. For the navy?—That would mean the expenditure of an extensive plant. The Imperial Government might see fit to assist. If they saw fit to assist I do not think it would be many years before we could do something.

397. Do you mean supplying the capital, and the colonies paying some of the interest?—And supply orders. The people at Home have drawn attention to the Home factories not being able to meet their demands, and also it is for the interest of the Empire to have supplies of war material here, and probably in Canada and the Cape. It is greatly to the interest of the Imperial Government that such establishments should be maintained in the colonies.

398. Having regard to the comparatively rapid changes in the classes of vessels used in naval warfare, do you not think that the most effective and cheapest defence for the Commonwealth of Australia would be to subsidise to some extent the Imperial navy, and rely on that?—They would not be able to stand the expense of their own ships at present, although there are some who think they might. If the Home Government supplied the ships they could afford to pay the interest.

399. Is that not on the same lines as paying a subsidy towards the maintenance of the fleet?—It is on the same lines, but you would have your own men and officers.

400. Might not an arrangement be made between the Commonwealth and the Imperial Government by which the colonies should furnish a certain number of men annually towards manning the ships in these waters?—With permanent men there might be a difficulty. There might be a means by which reserves could be maintained, who could be available for training during the year, and in time of war. In that case the Home Government would pay the Imperial rates of pay, and we should pay something additional.

401. Is not the maintenance of sufficient naval reserves a serious problem in Great Britain?—Particularly with firemen.

402. And with seamen too?—If they like to go to the expense of training establishments they could increase the numbers.

403. Is not the keeping-up of a permanent force a great expense?—Yes.

404. *Mr. Leys.*] Do you think, in view of the naval conditions in the colonies, there is a favourable field here for recruiting for the navy?—I think there is in Queensland, Victoria, and New South Wales. I think we could raise a considerable reserve.

405. On what terms of pay could you man the ships with a permanent force?—On the basis of what we pay our permanent forces here—about 5s. per day.

406. What amount do they pay the Imperial men?—About 1s. 7d.

407. Do you think that will be profitable to the colonies?—The 1s. 7d. carries pensions, while the 5s. per day does not.

408. How long do they have to serve in the navy to get a pension?—Twenty-one years.

409. Do a very large percentage earn pensions?—Yes.

410. Do you not think that for a great many years to come the present system enlarged would be more advantageous to the colony than to embark on such a scheme as manning our own ships and having separate commanders?—I think for a few years to come I would take the initiatory steps for establishing reserves here, and training men on the ships now here, which we do not do now.

411. Do you anticipate a large increase in the expenditure on defence on the part of the Federal Government?—Yes. Unless that is very firmly controlled I am sure there will be a large increase. There is nothing so insidious as military expenditure.

412. There does not seem to have been much spent in Tasmania on defence: do you think the Federal Government would have to bear much expenditure as regards that?—We are beginning to see signs of it now. The rates of pay are so much smaller. The proposal is that

they should be brought up, and it will be the same in all the States. Great pressure will be brought to bear.

413. Do you think it will be possible to resist that pressure?—If you have a sufficiently strong administration.

414. Will it not be a reasonable thing that they should all be paid at the same rate?—Yes.

415. We have an ammunition-factory in Auckland at present: do you think, if New Zealand entered the Federation, it would be more advantageous to close that factory and manufacture the ammunition at some central arsenal in Australia?—No. New Zealand ought to have a factory of its own. Supplies ought to be removed from any danger of interruption as far as possible. One factory might do for some years for the Commonwealth, but after some years that one factory would not be sufficient.

416. You said, in reply to the Chairman, that you thought Australia might assist New Zealand with land forces: do you think she could assist New Zealand if England were at war, and lost control of the sea?—I should think it would be very difficult for all of us in that case.

417. If England still had control of the sea, do you think we should require such assistance from Australia?—No, I do not.

418. *Mr. Beauchamp.*] In the event of a general attack being made on Australia, would you not require the full strength of the Commonwealth navy to defend your own shores—that is, if you had a Commonwealth fleet: would you not require a navy of very large proportions?—The maintenance of the navy would be primarily for the protection of your commerce, and the ships would be on the trade routes. What would be wanted for New Zealand would be additional ships.

419. Probably it would be better to continue the arrangement we have with the Imperial Government than to look to the Australian Colonies?—I think so too.

420. Do you hold the opinion that the great engagement of the future is likely to be at some point distant from Australia, probably in the English Channel rather than here?—I suppose the engagement to maintain supremacy would take place somewhere in that quarter. I think the time is not very far distant when the Pacific is going to play the rôle the Mediterranean played in past times.

421. The great difficulty would be the question of transport for large distances?—Foreign Powers are establishing very large fleets in the Pacific.

422. It is from Japan that we might expect greater danger than from a European Power?—Or from Russia.

423. You provide no pensions for your men?—All those who were in the Permanent Forces before the Act abolishing pensions came in.

424. *Mr. Millar.*] Have you noticed any desire on the part of the Victorian youth to follow the sea as a profession?—No; I cannot say that it is very strong. We have applications from parents very often, because the boys are difficult to control.

425. Are those applications for training as midshipmen?—To train them as boys.

426. Is it not a fact that we have to face a very serious problem in the fact that our mercantile marine service is being largely manned by foreigners?—There has been an uncomfortable proportion of foreigners, but there has been a dispute about it.

427. So far as the mercantile marine is concerned, the percentage is somewhere about 80 per cent.—Of foreigners.

428. Lord Brassey states that about one-third of the British mercantile navy consists of foreigners?—Principally of Swedes—in the mercantile marine, not in the British navy.

429. Judging by the experience of the past, you think special inducements will have to be offered before we can train up a naval force?—Yes.

430. What is the pension allowed to naval men?—It depends on whether the man is a petty officer or not. It varies from 1s. a day to about £30 or £40 per annum.

431. An A.B. would get 1s. per day?—Yes.

432. Do you not think it possible to have a good naval reserve in the colonies consisting only of colonials, on the same lines as the British navy?—Not with the same conditions.

433. Could you not compel them to have twenty-eight days' drill?—Yes. But you could not get over the six months at sea, as they have to do with the Royal navy. In the first five years of engagement they have to put in six months at sea on the man-of-war.

434. Would it not be possible to get that reserve from the men now on the coast—a sufficient number to form a nucleus of a reserve?—Yes.

435. It would be only a question of money?—Yes.

436. With such a reserve as that it would be of great assistance to the Imperial navy in the meantime?—Yes.

437. You know that in New Zealand we deal almost entirely with naval defence?—Yes.

438. Do you think it possible to defend the coast of New Zealand with less than four vessels?—I think that would be sufficient.

439. With regard to our land forces, you think that Australia would be able to give some assistance. On the basis of population Australia would have to have about sixty-five thousand Volunteers to place herself in the same position as we are?—We have a tremendous number of rifle-club men who with very little drill would be available to pass into the line. We have nearly twenty thousand in this State; and they do not count in the numbers of the Defence Force, but they are practically a reserve.

440. *Hon. Mr. Bowen.*] Did I understand you to say you thought it would be more advisable that a fleet should be established by Australia than that she should contribute with all the colonies a larger sum according to population?—I do not think the Australian Commonwealth Government intend to leave the management of naval affairs entirely to the Imperial Government, any more than they would leave their military matters, but that the control of the naval force will have to be

assumed by the Commonwealth Government some day, and therefore they will have to raise their own force.

441. Do you not think it would be better for every part of the Empire that there should be one fleet that could be sent anywhere, rather than that there should be fleets in different parts of the world?—You would have to be sure that the fleet was kept up to a sufficient strength.

442. Assuming the colonies contributed differently to what they do now?—Theoretically, I think it would be a better system if worked out practically—that is, if the Commonwealth could be sure that the Imperial Government would maintain the fleet in its proportionate strength.

443. It has been said that the best defence of these colonies would perhaps be effected by a battle fought in the British Channel?—I think that to attain the best results the naval defence of the Empire should be worked as one.

444. *Hon. Captain Russell.*] Can you give us any idea of the number of Naval Reserve men in the State of Victoria?—We could get a thousand to fifteen hundred here.

445. As to having a Commonwealth navy, would the colonial youth stand the discipline essential to a man-of-war?—I think they would. The discipline on a man-of-war now is not the discipline that was enforced when I went to sea. The more you recruit from an educated class the better becomes the discipline; in fact, there is the less need of a rigorous discipline. In South Africa you will find that the discipline there is not the discipline of years ago.

446. You think that if there were a fleet here the colonial youth would submit to the rigid discipline that is essential?—I do not think there would be any difficulty as to that.

447. On a declaration of war, would the Admiral on the Australian Station assume control of a Commonwealth navy?—Yes, I should assume that they would pass under the control of the Admiral.

448. Would you say that the Admiral should take command of the fleet irrespective of local politicians?—I think so. The power would not vest in him of moving the ships from Australasian waters.

449. Do you think he would not be able to say, "I am going to take the Australian squadron and fight in the New Hebrides"?—That would probably be in Australian waters. He would then have the power.

450. Suppose there was a strong combined squadron of our enemies in Chinese waters, do you not think the Admiral would be justified in going to the assistance of his brother-Admiral to squash the combined squadron?—This would depend on several conditions.

451. *Hon. the Chairman.*] The Governor-General is Commander-in-Chief of the Forces of the Commonwealth?—Yes.

452. If any military operations are to be carried out, it is for him to say what those military operations are to be?—As Commander-in-Chief, I do not think he has any power to interfere with the actual disposition of the forces.

453. As to what the operations are to be and as to how they are to be carried out would rest with the Officers Commanding the Forces?—Yes.

454. As to what the operations are to be, does that not rest with the Governor-General as Commander-in-Chief?—I doubt it. It is an intricate point.

455. Assuming it is, has the Governor-General anything to do with the naval forces?—No.

456. Have you a training-ship for boys here?—No; there is one in Sydney.

457. What is done with the lads when they are qualified as seamen?—I think some of them take shore appointments. I think a very small proportion of them go to sea. It is a mere educational establishment. We did have a training-ship here, but it was abolished, as it was not considered a success from a reformatory point of view. The boys who were bad corrupted others.

458. Do you think that a training-ship for lads whose parents are dead would be of use?—Yes. The question is what would be a sufficient number to keep it going.

JAMES JEMMISON FENTON examined. (No. 219.)

459. *Hon. the Chairman.*] You are the Government Statist for the State of Victoria?—Yes, under the title of Assistant Government Statist.

460. How long have you held that position?—Practically since Mr. Hayter's death in 1894.

461. Can you tell us the number of persons employed in manufactures in the Colony of Victoria?—In 1899 it was 60,070.

462. Can you tell me just the number of persons employed in any one manufacture?—We can tell you classes of factories, but we do not mention individuals.

463. We got in New South Wales the number of factories, and the persons employed in each?—I could give it without mentioning names.

464. *Mr. Roberts.*] There is an estimate made in 1898 of the sheep in Victoria?—It is an estimate based on the quantity of wool exported, and the average weight of a fleece. The last reliable figures are for 1891. From 1891 to 1894 they were made up by a kind of estimate which has been discarded as unreliable. We collect statistics (agricultural) from farmers very perfectly, but we do not collect from squatters. We have no stock registration like they have in New South Wales and Queensland.

465. *Mr. Millar.*] Are these figures (60,070) taken from the census returns?—No; they are from returns collected annually by collectors appointed by the Municipalities.

466. I see there is a difference in your figures and those of the Chief Inspector of Factories?—They are not reconcilable. The latter include shops, and relate only to the principal towns of the colony. We collect factories only from the whole colony.

467. 60,070 people are engaged in factories, outside of shops?—Yes. New South Wales and Victoria have agreed to take all places in which the business is purely a manufacturing one employing four hands and upwards, all sellers being carefully excluded. We also include all factories with less than four hands which use steam-power.

468. This 60,070 is not actually the number of individuals employed in manufacture?—It does not include workers in factories employing less than four hands not using machinery, such as the smaller bootmakers who employ only one, two, or three hands.

469. Does it include manufacturers outside of the district?—The return refers to the whole colony.

470. Can you tell me the number of persons engaged in agricultural pursuits?—The last census would give it for 1891. At present we can only give the number of cultivators—that is, the holders of the land. There are nearly forty thousand holders of agricultural land. The acreage they cultivate is 3,378,000 acres.

471. Has your department kept any record of the range of prices in sales, year by year, of oats, potatoes, or wheat?—We compile statistics on the subject obtained from the municipal collectors, who return the price of wheat locally about the time of the harvest in February or March—just after the harvest; but very often the price is regulated by the agricultural statistics which are subsequently published.

472. Can you tell us the area under cultivation for vines in Victoria for 1899?—27,550 acres.

473. What was the value of grapes produced from that area in that year?—The value of the grape products, including wine and brandy, was £351,316 in 1899. That includes grapes not made into wine.

474. Is that an increasing or a decreasing industry?—Phylloxera tended to retard it. I think it has been improving of late years.

475. Is the production of dried fruits increasing?—I think so. They come almost entirely from Mildura, on the River Murray.

476. Can you tell us the area of land available for agricultural and pastoral purposes in Victoria?—Exclusive of 23,200,000 acres of land of all kinds alienated from the Crown, there are 1,100,000 acres of Crown lands in occupation under pastoral leases, 8,500,000 acres under mallee pastoral leases, 116,000 acres under perpetual leases in the mallee country, 3,100,000 acres under grazing-area leases, 417,000 acres under grazing licenses for auriferous lands, 48,000 acres under village settlements, and 4,500 acres under swamp leases. These lands were all occupied; and there were, besides, 11,467,000 acres available for occupation—viz., in the mallee country, 2,067,000 acres; in other parts 9,400,000 acres.* These figures are approximate. They will be found on page 793 of the Victorian Year-book for 1895–98. The land available for occupation embraces pastoral lands in the mallee country 2,067,000 acres, and in other parts of the colony 1,873,000 acres. Agricultural and grazing lands, 6,300,000 acres; auriferous lands, 1,087,000 acres; swamp lands, 83,000 acres; may be sold by auction, 36,000 acres; area excised from reserves under Act 1347, 12,000 acres.

477. *Mr Luke.*] What is the increase of population in the last five years?—There are two statements of this, one showing the recorded increase, and the other the estimated increase after allowing a percentage for unrecorded departures. (The true percentage cannot be ascertained until after the taking of the census of 1901.) The recorded increase between 1894 and 1899 was 1,775, but after making the usual allowance for unrecorded departures there was a decrease of 13,035, which was increased at a conference of Australian statisticians held in Sydney in 1900.

478. What was the increase between 1881 and 1891?—I have seen it in print that there is a large shrinkage in population in the last ten years. The increase between 1881 and 1891 was 278,059.

479. Can you send us returns more up to date?—I can send on a return showing the excess of births over deaths, and the difference between recorded arrivals and departures by sea.

480. Can you give us the estimated population in 1891 and the estimated population in 1900?—Yes, I can give the latter to 30th June, 1900. In 1891 the enumerated population was 1,140,405, and the estimated population on 30th June, 1900, was 1,168,136. The population according to the census of 1901 will soon be available.

481. The percentages of births over deaths are disclosed?—They are shown in the statistics. The percentage of births over deaths is 17 per cent. on the average. I will let you have these returns in a day or two.

482. *Mr. Leys.*] Are the agricultural statistics made up for this year yet?—We publish the wheat-but not the oat-crop. It will be ready in a day or two.

483. There has been a statement published that the area in oats had increased 70,000 acres this year as compared with last: can you let us know whether that is correct?—Not till the statistics are ready for publication. They will be published any day now.

484. Can you tell us what is the proportion of the imports into Victoria from New Zealand for transshipment?—I should say, a very large proportion. For instance, we imported 35,000 centals of oats in 1899. Of that quantity only 2,292 went into consumption.

485. Do you think you could let us have the figures for this year in the same direction?—Yes—*i.e.*, for 1900.

486. Have you given any attention to the question of Federal finance?—Yes.

487. Have you formed any estimate at all of what amount of revenue from Customs and excise is likely to be returned to Victoria under the fiscal arrangements of the Commonwealth Bill?—I have prepared statistics for federation purposes dealing with the question, and there were two reports by the Victorian Accounts Committee—of which I was a member—also treating of the same subject, one of which was published. We know what each State raises by duties on inter-State products under the present system. It was generally reckoned in 1895 at £1,000,000 for the States as a whole. Through the remission of the intercolonial duties that revenue will be lost, and will have to be made good somehow, either by extra taxation on foreign goods or by direct taxation. In Victoria in 1900 the amount raised by Customs and excise was about £2 per head. In the Austra-

* Of this area, 3,800,000 acres are temporarily held under grazing licenses, renewable annually.

lian Colonies as a whole it was £2 1s. 9d. per head. If New South Wales had a protectionist tariff such as was in force prior to 1896, it would probably have been as high as £2 4s. 6d. Consequently—assuming the loss by remission of inter-State duties are made good by increased taxation on foreign imports—Victoria may suffer a loss to the extent of the difference between £2 and £2 4s. 6d. per head.

488. Have you the figures for New Zealand per head?—New Zealand is very high, but not so high as Queensland or West Australia. It was £2 17s. 4d. in 1899.

489. Looking at these figures, do you judge that New Zealand would lose heavily under the system of Federal finance?—You cannot say “lose.” There would be a remission of Customs taxation undoubtedly.

490. Would there be a great loss to the State Treasury?—They would undoubtedly get back some of the revenue lost in other ways.

491. There would be a considerable diminution of revenue?—Yes; but, on the other hand, there would be a corresponding gain to the people through the remission of so much taxation.

492. How would that taxation have to be made up, provided we still required that same amount of revenue for State purposes?—By fresh taxation, and probably by the growth of other sources of revenue.

493. By direct taxation in some form?—I think so; but it is possible the revenue from other sources may expand under federation. For instance, in New South Wales, where there was a very heavy expenditure on the celebration of the landing of Lord Hopetoun, that, it is said, was made good by the increase in the railway revenue, &c. Then, again, the amount derived from the income-tax might increase, through the expansion of private incomes, to such an extent that the general revenue as a whole would show no diminution. Moreover, an expansion of trade under federation would tend to make up any loss arising from the resumption of Customs taxation.

494. Can you suggest any other advantage from federation to New Zealand except inter-colonial free-trade?—It would have the Australian market for its products.

495. Can you suggest any other advantage?—Its insular position is a bar to some advantages that New Zealand would otherwise gain by federation.

496. *Mr. Roberts.*] As to the birth-rate of the various colonies, you have noticed there is a serious decrease in the births per thousand?—Yes.

497. What is that owing to?—To begin with, we are not sure of our population estimates since 1891. There have been many movements of population. The fall in Victoria I attribute to the depression, the exodus of people to Western Australia, and the consequent reduction in the marriage-rate.

498. In New Zealand there has been a decrease?—I suppose there has been a fall in the marriage-rate too. In times of depression the marriage-rate falls.

Oats imported from New Zealand into Victoria.

Total imports	59,381 centals.
Imports for home consumption	320 ..

Major-General FRANCIS DOWNES, C.M.G., examined. (No. 220.)

499. *Hon. the Chairman.*] What are you?—I am Major-General and Commandant of the Military Forces of Victoria. I was the first Imperial officer sent out to Australia as Commandant. I was Commandant in South Australia altogether for thirteen years, and here as Secretary of Defence for three years. I have been in command of the forces here since November, 1899.

500. Your attention has been directed to Federal defence?—It has to a certain extent, but we have had so much on in the last eighteen months that I cannot say I have gone into it fully.

501. We are the Royal Commission from New Zealand, and amongst other things we are commanded to inquire how federation would affect New Zealand in the matter of defence: could you favour us with your views on that point?—Any views I give have not been thought out to any great extent, because it has not come before me; but, from a military point of view, I do not see how New Zealand becoming a portion of the Commonwealth would in any way increase the defensive powers of either one or the other, for this reason: We are all under the same flag, we have all got more or less the same common interest; if New Zealand was in danger, whether it was affiliated with the Commonwealth or not, Australia would go to her help. If the Commonwealth of Australia was hard-up, I am certain New Zealand would go to her help. So I do not think federation would affect the matter. You could not very well have the troops in New Zealand under the command of the officer up here; they are too far off for him to deal with. You would require to go entirely on your own legs. I am speaking now of land defence.

502. We have in New Zealand some fifteen thousand Volunteers and Permanent Forces: would you regard from that fact that New Zealand ought to be able to look after her own line of defence?—I think so; but it seems to me if New Zealand was pressed I am sure Australia would go to her help if she could.

503. Whether Australia could or not would depend, of course, on England having command of the sea?—Yes; if England loses command of the sea New Zealand is shut off altogether.

504. At present New Zealand contributes to the cost of the Australian squadron: can you suggest any better means of defence for New Zealand than that?—No, I cannot. The Australian squadron, I imagine, will be very much increased in time. I assume, as time goes on, the Commonwealth of Australia will get a navy of her own. If New Zealand was part of that Commonwealth New Zealand would take her share of that, and the ships would act in unison. The naval powers ought to be under one head. Perhaps the best defence of Australia might be in the China Seas on one occasion, and near the Cape of Good Hope on another occasion. The squadrons of Australia and New Zealand would be massed together in that case. The naval defences of both countries would probably be increased, and would be separated entirely from the military.

505. Do you consider it will be a considerable number of years before the Imperial squadron will be withdrawn from these waters?—I think there will always be an Imperial squadron as portion of the Pacific squadron, and I imagine that will go on for some time. The Imperial Australian squadron will, I hope, continue indefinitely; but there may be at the same time as the Commonwealth goes on a desire for a squadron of its own, which will work with the Imperial squadron, but still be more for the defence of these waters.

506. We have in New Zealand a small-arms-ammunition factory: in your opinion, would it be prudent for the New Zealand Government to continue that?—Most undoubtedly, and I hope we shall have the same here too. Supposing we were together in the Commonwealth, even then you would require it, because you would be shut off by the sea.

507. You have a small-arms ammunition factory here?—It is a branch of the one in New Zealand. I hope that will be largely increased, as it is not equal to our demands. The other States have not joined in with us in regard to it.

508. Do you look forward to artillery ammunition being made here?—Yes; and to powder, cordite, small-arms, small-arms-ammunition, clothing, and saddlery.

509. Eventually they should all be manufactured here, and we should be entirely independent of Great Britain in regard to them?—I do not think it should be so with the guns, because we do not want large numbers, and we could have a few in reserve. I think these States should be independent of Great Britain. In speaking of the States I speak of New Zealand also.

510. Do you expect to have a military college established in Australia?—That should be done.

511. Is there any probability of its coming?—I trust so. I happened to be on a Royal Commission in 1881, and that was one of the subjects we considered, and the report was accepted by the various Ministers. There should be a State military college. At each Conference that assembles the matter is brought up.

512. Is there any school of instruction for officers in any of the States in Australia?—There is no definite school. We have our local school and lecture-room, and an officers' class which they can attend three or four times a week, but that is not a proper school. An officer should go to a school for two or three months.

513. There is none like the Chelsea School in England?—There is an artillery school at Sydney which continues for about six weeks or two months in the year. That is the best form of school we have. The other States have not voted enough money for it.

514. *Mr. Beauchamp.*] If we contributed to the cost of the Federal squadron the same benefits would arise?—Certainly, provided the disposal of the Australian squadron was in the hands of the naval Commander-in-Chief.

515. With the headquarters in Sydney?—In Sydney or Melbourne.

516. It would be only by the Imperial navy withdrawing a number of ships from these waters that we would have the same advantages as you by contributing to the cost of the Commonwealth?—Yes. I do not think the land forces could be controlled from here with four days' journey by sea.

517. *Mr. Luke.*] There is a military college in Canada?—Yes.

518. Do you know anything of the constitution of that?—Not of the details, but it has answered admirably. It has worked so well that the English Government for some years have given commissions from it direct into the Engineers and Artillery. People I have met who have been connected with it tell me it answers admirably.

519. Would you contemplate the establishment of such an institution in the Commonwealth?—Yes; a purely military college.

520. *Mr. Leys.*] Do you think the Federal Government will have to largely increase the naval and military expenditure to make it efficient?—It will have to be increased, no doubt about that. Not so much in the numbers of men, but there will have to be more liberal conditions in regard to the pay—or, rather, the retiring-allowances—of such men. If you keep an officer until he is fifty years old it is not fair to turn him adrift without anything to fall back on. I would not advocate any large increase in the regular forces—I mean men paid every day in the week, and whose sole duties are military matters.

521. Do you think there may not be an increase in the Permanent Forces for the defence of northern and Tasmanian ports?—There should be a force in Tasmania; another at Port Darwin when fortified. Sydney and Melbourne are the principal ports, and we have a sufficient amount of regular artillery there. We have to depend on manning the forts, in case of mobilisation, on the garrison militia artillery.

522. You spoke of the military college, and you seem to contemplate a more complete military equipment than at present?—We must accumulate stores here, and that means a large increase of money. Then, we must instruct our officers, and have places to which officers can go to be refreshed periodically. That means an increase of money. I do not think, in regard to the increase of the regular forces, that there should be a large increase.

523. Do you think 50 per cent. would be too much to estimate the probable increase of expenditure?—Yes; it should be under 50 per cent. Approximately, I should think that would be more than would be required.

524. *Hon. Major Steward.*] I assume that the only possible danger of invasion of New Zealand at any time will arise not from any complication between herself and a European Power, but between Great Britain and a European Power?—Yes.

525. If that were so, the same cause that would render New Zealand an object of attack would equally render Australia an object of attack?—Yes.

526. That being so, both being in the presence of a common danger, is it likely that Australia, after providing for the defence of her own coast, would be able to send assistance to us?—It would

mean a big thing for any one to attack Australia and New Zealand simultaneously. If an attack were made on New Zealand, Australia could send some of her men; if an attack were made on Australia, New Zealand could possibly send some of her men. There would be no possibility of attack on both places at the same time unless Great Britain were to lose command of the sea.

527. In the event of circumstances arising such as we are now contemplating—namely, an attack on either Australia or New Zealand—would not assistance naturally be sent from one to the other—not only because blood is thicker than water, but so as not to make it a base for the enemy?—I do not think federation will alter the position at all. We are the Power in the Pacific, and, whether it is Australia, Tasmania, or New Zealand, we are all united in a common cause.

528. Whether there is federation or not?—I do not think it would make one iota of difference.

529. *Hon. the Chairman.*] What is the annual allowance of ammunition to Volunteers in this State?—It varies. The rifle-clubs get 200 rounds per annum free; the Rangers and Mounted Rifles get 210; and the Militia get 170.

530. At what price is ammunition sold to them for practice?—Martini-Enfield ammunition is sold at 5s. per hundred rounds, it being estimated at cost price at 12s. per hundred. The Martini—cost price 10s.—is sold at 2s. 6d. per hundred. I believe Victoria is far more liberal in the reduction she allows than any other State.

531. Is there any limit to the amount sold?—Practically the only limit is that it is in the store. I imagine all these things will come under more definite regulation when the new Defence Act is passed. When the new Act is passed all the States will be under one system, and the price will be the same in each State.

532. Have you any reason to suppose that the regulation will be any less liberal to the Volunteers than now?—I cannot say. It is less liberal in New South Wales than in Victoria. They must all be put on the same footing.

533. Is there any other matter we ought to be informed about?—I should say you should keep all your supplies well up. I have no doubt you have had the same difficulty in New Zealand as we have had here. We found it difficult to get stirrup-irons, bridles, girths, &c.

THOMAS KENNEDY, M.L.A., examined. (No. 221.)

534. *Hon. the Chairman.*] Where do you reside?—At Cobram, on the Victorian side of the border. I am a member of the Legislative Assembly. I am a native of Victoria.

535. We want you to tell us, if you will, something about the agricultural industry in Victoria: does Victoria produce sufficient agricultural produce to supply its own demands?—Speaking generally, yes.

536. Sufficient wheat?—Yes.

537. Does it export wheat?—Yes.

538. Largely?—The statistical returns are not compiled for this year, and climatic conditions are an important factor on the exportable surplus every year. Throughout the past three seasons we have had abnormally bad seasons throughout the wheat-bearing regions of Victoria, consequently our wheat-supply was fully one-third below the average. That would reduce the exportable surplus.

539. Is the quantity of crop under wheat extending to any considerable extent?—It was at a standstill for a good few years, say, in the early nineties, but towards the latter end of the nineties the areas had been increasing in the mallee country. It was only in those years that we were fully seized of the value of the mallee country for wheat-growing purposes. While this increase has been going on in the mallee country, there has been a reduced area in what were, prior to that time, the larger wheat-growing districts—the Goulburn Valley, for instance.

540. In normal seasons, when you have no drought, what is the average yield of wheat in Victoria?—About 12 bushels.

541. Is Victoria able to supply herself with oats?—That is a question I could not speak definitely upon. She is able to supply her own requirements, but there are classes of oats which we have not been growing in Victoria for a considerable time—oats for milling purposes. The Algerian is looked upon as a good milling-oat. Climatic conditions have a good deal to do with it. There are seasons in which oats grown elsewhere than in Victoria are of better quality for milling purposes. In the area most suitable for oat-growing they can get better returns from the land for other purposes.

542. Does Victoria export oats?—Yes; recently to a very considerable extent, since the demand has sprung up in South Africa.

543. What is the average yield of oats?—That I could not say definitely. Roughly, about 25 bushels per acre.

544. Is barley profitably grown here?—Yes.

545. Is there much land under crop for barley?—Yes; we grow all grades of barley sufficient for our own requirements. Of late years the value ruling for malting-barley is so low that farmers have ceased to grow it. I live in a district where the maltsters admit that we grow the best malting-barley in Australia. We did produce enough for our own requirements, but the value decreased, and we found we could put the ground to better use.

546. There are no difficulties arising from either the soil or climatic conditions which would prevent malting-barley being grown here?—None whatever.

547. Is the quantity of land under crop for oats increasing?—I think it has been a diminishing quantity.

548. What will the farmers here consider a fair price for oats?—In the district of which I have a personal knowledge of all the different cereals produced, if we can get 5s. a bag for oats, that is a good price. That would be 4 bushels to the bag—at the railway-siding.

549. Are potatoes largely grown in Victoria?—I can only speak generally, because we do not grow potatoes in the district in which I live. There are districts in Victoria where they are grown.

550. Have you been engaged in agricultural pursuits yourself?—Yes; I am farming at the present time.

551. Are New Zealand oats imported into Victoria?—I could not give you definite information on that point.

552. Is there any necessity for Victoria to import New Zealand oats?—There are seasons in which we do not grow oats of as good a quality as are grown in the other colonies. I have it on the authority of millers that these oats are much better for their purposes than the oats grown in Victoria in the same seasons. In the cooler districts, where oats could be grown, they are not grown.

553. Do you grow maize?—Yes, in a few localities. It grows well in the Snowy River Valley.

554. *Mr. Leys.*] Can you make 12 bushels of wheat to the acre pay?—Yes, at 2s. 3d. per bushel, current value at the railway-siding.

555. Would a less price than that pay?—In the normal seasons, with that average, I say, speaking from a personal knowledge, that the grower could grow wheat in the northern district of Victoria at 2s. per bushel.

556. What do you reckon is the cost of putting in wheat?—It is being contracted for in my district at the present time. They contract to plough the land, sow it, and take it off, and cart it to the station for 16s. per acre.

557. What is the value of the land?—They are selecting land on the New South Wales side of the river now, and it costs about £1 for the fee-simple. On the Victorian side of the river it ranges from £4 to £5 per acre. That is improved farming land.

558. What value do you reckon for oat land, as a rule?—In the Murray Valley and the Goulburn Valley, until you come back up the Goulburn, there is not much oats grown for market purposes. They are grown chiefly for feed. In the Goulburn Valley, from Murchison, coming south towards Nagambie and Seymour, the lands range from £5 to £10 per acre.

559. What would be the railway freight from there to Port Melbourne?—From the border where I live, 155 miles, the railway freight at the present time is about 11s. per ton. It costs about 4d. per bushel for wheat, and that covers agents' commission.

560. We have been told that the farmers here are very much alarmed at the prospect of New Zealand coming into the Federation: do you think there is anything in that?—No; the Victorian farmer has no more fear of coming into competition with New Zealand than he has with New South Wales.

561. If the duties were removed to-morrow, do you think there would be a large amount of agricultural produce imported into Victoria from anywhere?—No; it would not be imported into Victoria for use here. Speaking as a farmer, with a knowledge of the general conditions, I say that we have a considerable amount of produce coming from New South Wales to the seaboard for shipment.

562. A greater proportion of New Zealand produce that comes here now is for transshipment in the same way?—That I do not know, except from the information I have had from millers.

563. As to hams and bacon, is Victoria self-supporting in those lines?—It is an industry to which the farmers have been giving considerable attention of late. Assuming we import some at the present time, the difficulty of getting a regular market prevents the farmers from producing two or three times as much as they do now. Applications have been made to the Agricultural Department to find if we could not get a market in Great Britain for hams and bacon. We can raise it as cheaply as any part of the world.

564. You do export dairy produce very largely?—The ham-and-bacon trade is capable of considerable expansion in Victoria.

565. You anticipate that the removal of tariffs in the other colonies will enable you to become a great competitor?—I think it will be an immense benefit to the whole of the producers, because each colony trying to find a market for a large quantity will induce us to have a continuous supply. The same with our meat. We have never been able to establish that in the markets of the world, because the supply has been intermittent.

566. Do you think the tariff is likely to be a high one?—Necessity governs the situation.

567. I am looking to the possibility that New Zealand may not see its way to come into the Commonwealth, while we may have to face a high tariff?—It is only a matter of conjecture; but, in the light of past experience, I would be inclined to say that each State will look after its own interests first.

568. The exports to New Zealand from Australia at present are much higher in value than the New Zealand exports to Australia: under those circumstances, is it likely that the Commonwealth will boycott that trade?—It will resolve itself into the question, Can the Commonwealth give attention to the products raised by other places—can she produce them within the confines of her own borders?

569. Do you think it is probable that there will be heavy protective duties?—My own idea is to give our own citizens the first consideration, and if it is possible for the State to encourage any industry, to do so. Say, for instance, we were importing bar-iron from New Zealand in considerable volume, and it was possible to establish that industry in the Commonwealth, it is natural to assume that the Commonwealth would try to establish it.

570. You think they would not look to the balance of trade?—No. If they get the trade within their own confines, that would be equally as valuable as trade with the other ends of the earth.

571. In the event of New Zealand not coming into the political Federation, do you think there is a reasonable prospect of commercial reciprocity?—If there are mutual advantages, I should imagine there would be a possibility. That has been the chief cause of the federation of the States of the Commonwealth. We found it impossible to get reciprocity between the different States.

We have made attempts to have reciprocity between Victoria and New South Wales, at the wish of the people, for the last thirty years, but we never could attain it. That is why we eventually federated.

572. Have you given any attention to the effect of federation on the State finances?—Yes.

573. How do you think Victoria will be affected?—I think she has everything to gain.

574. Do you think the amount returned from Customs and excise revenue will be sufficient to cover the State requirements?—Yes. The total cost of Government in the first stages will be increased somewhat. There is a probability of the cost of the State being reduced, but eventually the sum total will not be increased to any appreciable extent, and there will be a considerable impetus given to trade generally. Producers depend on railway facilities. I think, eventually we will all have the benefit of a great gain, and I do not think there is the slightest danger of our finances being disturbed in any degree. We approached this union when Victoria was emerging from the greatest depression that has ever overtaken her, and when we were in a very bad condition financially. We are just feeling our legs after our terrible depression. Following that disaster of 1893, we were struck with the lowest level of prices that we ever saw in Victoria; then we had abnormally bad seasons. Notwithstanding that, we have improved our position materially.

575. Will the smaller States be affected?—It may be that through the Customs and excise there will be a loss, but no State will allow the other States to suffer.

576. Under what terms are they likely to make advances to the smaller States?—That would be a question purely for the Federal Parliament to determine.

577. *Mr. Reid.*] Is your district the chief farming district of the colony?—One of the chief.

578. Where are the others?—From the foothills of the Australian Alps to the South Australian border is the north and north-western territory. The dividing-range divides the southern district from the north. The western district is utilised for oat- and wheat-crops and dairying. The eastern portion, known as Gippsland, was devoted to agriculture in the early days, of late years to grazing.

579. Would the same conditions as to prices which you have described apply in those various districts?—The northern and north-western districts are the wheat-growing districts of Victoria. There is no attention given to wheat-growing in the southern portions. Oat-growing is not pursued to the same extent in the southern portions as it was twenty years ago. They are devoting more attention to sheep-farming and dairying, as giving a more certain return.

580. *Mr. Beauchamp.*] You said oat lands were worth £5 to £10 per acre: does the cost of production include seed?—Yes.

581. Can you give the average cost of wheat land?—£4 to £8. That cost of production applies to the wheat land.

582. What does it cost for oat lands for production?—I could not say of my own personal knowledge. In putting in oats in the Valley district they put them in with the drill, and that costs more.

583. Is it the mallee country which can be brought into cultivation at low cost?—Yes.

584. That is the scrub which you roll down and burn and then scarify?—Yes.

585. In harvest do you simply strip?—Yes; the harvester is displacing the stripper.

586. Are there very large areas in Victoria that can be brought under cultivation for oats and wheat?—Yes.

587. In addition to domestic requirements, you could supply New South Wales requirements?—I think so. What was fifteen years ago practically the granary of Victoria, in the locality bounded on the west by the Lodden, we grew 18,000,000 bushels of wheat. We grow very little wheat there now. They are growing wheat on the cheaper lands of the mallee.

588. We are told that the desire for federation was due to the friction caused by the tariffs between the colonies, the trouble about the rivers, and differential rates?—Those were the chief causes.

589. Behind all that there was probably a sentimental feeling?—Yes. The greater part of Riverina and western New South Wales has been settled mostly by Victorians. The younger generation of Victorians, who have been trained to farming pursuits, are going to New South Wales, where there is more land obtainable under exactly similar conditions as regards soil and climate as the part of Victoria they went from.

590. That trade has been taken away to New South Wales?—It is not that, but they find the difficulties in making a living on the same area of land are greater—I mean that the possibilities of making a living are not so great in New South Wales as in Victoria.

591. *Mr. Millar.*] Is there much land not cultivated in Victoria which is suitable for cultivation?—Yes; in the district where I live the average holdings are about 450 to 550 acres. Taking that district, which is typical of the north-eastern part of the colony, the people there do not cultivate much more than is sufficient for the requirements of their stock. They use the ground chiefly for dairying and fattening. The land is in use for some purpose.

592. Is there much land in Victoria not used?—No good land; it is all used in some way.

593. So that any increase in crops would be at the expense of something else?—Yes.

594. What are the wages paid to farm-hands?—It varies according to conditions. Some years ago (from 1893 to 1895) our industrial population was in a bad condition. Taking the last year as an example, the agricultural labourers were not easily obtainable. To-day, in the district in which I live, a ploughman or a farm-hand gets £1 5s. a week and keep. Competent men are not obtainable.

595. There has been a big withdrawal from the country of troops going to South Africa?—Yes.

596. Taking a fair average, one year with another, the wages would be about 15s.?—No, they are above that. A man who is worth having would have to be paid £1, and in the harvest-time you cannot get men for less than £1 10s. to £2 5s. I paid at last harvest, myself, £2 5s. and keep.

597. Do you anticipate that the Federal Parliament will gradually absorb the powers of the State Parliaments?—No, I do not think so. The Federal Parliament will govern everything of common concern. The different States have found it a great disadvantage for each of them to be speaking with a different voice from that of the others. The powers vested in the Commonwealth are specifically defined in the Constitution Act.

598. How much will be left to the State Parliament?—The education of the people, the land administration, the railways, and other things.

599. Do you not think the education system should be uniform throughout Australia?—I do.

600. Do you anticipate that the railways will be taken over?—I hope so.

601. What would be left for the States apart from lands and mines?—I cannot see the possibility of the Commonwealth taking over the lands.

602. There is no difficulty in the way of the Commonwealth taking over the lands?—It is not impossible.

603. Do you not think it probable that the people of the different States, when they find that the powers of the local Parliaments have been reduced, will cry out for their abolition?—No, I do not think so, because if everything were transferred to the Commonwealth the cost of administration would not be diminished in the slightest degree. More effective administration of internal matters can be obtained from the local Government.

604. Do you not think there will be everlasting friction between the States whilst different classes of legislation affect different matters?—No; the powers of the Commonwealth are fairly defined.

605. Have you local government in Victoria?—Yes; cities, boroughs, and shires.

606. Do you not think the probability is that municipal bodies will be formed to take the place of the present Parliament?—I visited Tasmania many years ago, and saw some peculiar things there. The Municipality controlled a section of the police and the Parliament another section. That was not satisfactory. To my mind, matters can be as effectually dealt with under State control as under the Commonwealth.

607. *Mr. Roberts.*] You said the production of wheat was increased owing to the settlement of the mallee country?—That is an area of country of about 11,000,000 acres. At one time it was considered waste land, and was left to the dingoes and rabbits. Eventually some enterprising pastoralists took it under lease with conditions as to vermin-destruction, and they carried out experiments. I refer to Mr. Lascelles, who has been a benefactor to Victoria. They found that they could bring new land under wheat at a very low cost. That has all tended to the alienation of the land by settlers. Some hold it under license or lease, and the rentals go towards payment of the fee-simple of the land. The rent varies from about £1 per square mile to about 3d. per acre. Wherever the land is under tenure giving the right of alienation there are conditions as to improvement.

608. You said the average yield of oats was 25 bushels. I see the average for 1888 to 1890 inclusive was $8\frac{1}{2}$ bushels for wheat and $20\frac{1}{4}$ for oats?—About 1884 what we know as the northern district was the wheat-field of Victoria. Of later years we have extended it into the mallee country, which is lighter yielding. In old days the yield was heavier, because it was better land. Our average yield has been reduced since we have extended to the mallee. They look upon 8 bushels in the mallee as a good crop. Two shillings per bushel is obtained for that.

609. *Hon. Captain Russell.*] What becomes of the mallee land after they have taken the crop off?—They continue to crop it for about four years. Then they allow it to go back to grass for a few years. The carrying-capacity for stock purposes is very light. The carrying-capacity is very much improved by having the scrub rolled down.

610. Will it grow turnips?—No, I do not think the climatic conditions will justify the attempt to produce those.

611. You rob the land of certain essential elements and then you have to leave it alone for a time?—Yes; the land in that country becomes foul with wild oats and cockspurs, owing to the fact that they have to cultivate it dry year after year. The seeds are not germinated before it is ploughed down. The mallee is not oat country, but wheat country.

612. In your own country what do you do?—In all that country they like to get the crop off at the cheapest possible cost. For instance, they will plough an area of land in the winter season of the year, when it can be ploughed very cheaply.

613. What price is paid for ploughing?—About 4s. to 5s. per acre would be the maximum. They will probably put in sorghum, and it requires no further cultivation. They graze that off in the autumn. They get a good crop, and let the land go back to grass again. It is unusual in the northern valley to take more than two crops in succession. Lucerne does well, but native grass is equally as profitable.

614. How many acres to a bullock?—We always gauge it by sheep. In normal seasons the box lands will carry two sheep to the acre right through the season. That land goes from £4 to £8 per acre, according to improvements. If there is permanent water and fences it will go to £8 an acre; according to the fencing and water, down to £4. In all that country there are patches of irregular soil.

615. Are you ever devoid of water owing to drought?—On parts of the settled lands.

616. What happens to the stock then?—In a few instances where they might lose their stock it is simply a question of carting water. That generally arises through the improvidence of the selectors.

617. What is the average rainfall of the district?—About 18 in. We have got through two consecutive seasons with 10 in. and 12 in.

618. *Hon. the Chairman.*] Can you say whether the farmers of Victoria look to South Africa as a probable market for the surplus produce?—It has been a considerable factor during the last

twelve months. Hay and oats would have been practically unsaleable in Victoria during the past twelve months if it was not for the outlet in South Africa. Looking ahead, we cannot see anything that might approach the same volume. The average Victorian uses it for his stock, as the price would not pay him. If they had not got the South African market the price would have been lower.

619. There would have been no necessity for Victoria to import the articles you mention?—There is no necessity for Victoria to import for her own requirements except under abnormal conditions. In 1898 we had not been producing very largely either oats or hay, owing to the low values before that. We were met with a very dry season in 1897, and absorbed all the surplus stuff in hand; 1898 was a very dry season, and not only were the crops abnormally light, but there was no surplus from the previous year. Prices were high, and I think during that year we did import.

620. *Hon. Mr. Bowen.*] The farmers go in for fattening lambs?—Yes; there are a considerable number of lambs bought by the freezers.

621. Do you think there will be an increase in the export of lambs from here?—The low price of grain may stimulate the production of sheep.

622. *Mr. Luke.*] Are the implements used by farmers usually made here?—Largely.

623. Have you seen any of the New Zealand implements here?—No.

624. You think Victoria will continue to manufacture?—Yes; we have been exporting to New South Wales. There are large manufacturing firms here. We can produce all our own requirements. We imported reapers-and-binders from America. We are going to make them here. The average price is £50; the price in America is £20.

625. *Mr. Beauchamp.*] In the mallee country is there much artificial manure used?—It is a subject they have been giving attention to during the last two or three years. They have been going in the dark, as they have not had the soils analysed.

626. You have a Department of Agriculture?—Yes.

627. Has that been availed of by the farmers?—Not except during the last twelve months.

Right Hon. Sir GEORGE TURNER, K.C.M.G., Federal Treasurer, examined. (No. 222.)

628. *Hon. the Chairman.*] You are the Federal Treasurer, Sir George?—Yes, I am Treasurer of the Commonwealth of Australia, and was formerly Premier of the State of Victoria.

629. Did you attend any of the Conventions in reference to the Commonwealth?—Yes; one in Adelaide, Sydney, and Melbourne.

630. We want to ask you some questions upon the financial aspect of the matter, and as to how the finances of the different States will probably be affected by the Commonwealth Constitution. Take the State of Victoria, for example: what do you think will be the effect of that State having to surrender a portion of its Customs revenue to the Federal Government?—It all depends upon the uniform tariff that is adopted.

631. I suppose it would be hardly right to ask the Federal Treasurer; but I suppose it may be taken, in any case, that the tariff will not be as high as existing either in New Zealand or in Victoria in the past?—I cannot say. That is a matter that the Cabinet will have to discuss. It has never been discussed by the Cabinet yet.

632. For ten years at least the 25 per cent. of the net revenue of Customs will be taken by the Federal Government?—If the Federal Government desire to spend the money they have power to use the 25 per cent.

633. If they do, how are the different States to make up the loss to the Treasurer of that money?—Partly by the increased prosperity which is going on year by year, and, if necessary, partly by some means of direct taxation, if there is any loss; but it does not follow that there will be any actual loss, as the States save the excess of transferred expenditure over transferred receipts in Post Office and Defence Departments, which is a large amount, and the uniform tariff may cover the new expenditure.

634. What do you think will be the effect upon the States in reference to borrowing money which they may require for the prosecution of public works, seeing that the Customs revenue is handed over to the Federal Government?—I do not think it will have the slightest effect. The people who lent money in England lent on the general credit, not on any particular item of revenue.

635. Take New Zealand, for instance, a colony which raised a very large proportion of its revenue from Customs: do you not think, if the power of levying duties of Customs is handed over to some other authority, that will materially affect the credit of the colony?—I do not see why it should. The colony must always raise by some means a sufficient amount to pay its interest bill.

636. In New Zealand, for instance, the interest bill approximates very nearly the amount raised from Customs; and, if that is so, and these Customs pass beyond the control of the Government of New Zealand, do you not think the Government would be very seriously handicapped in raising future loans?—I fail to see why it should be so. You have more than sufficient revenue left to pay your interest bill, and your interest bills would be the first things you have to pay, or else repudiate.

637. New Zealand has in the past gone in for a system of advances to settlers and considerable railway-construction: having regard to the fact that a considerable portion of the Customs revenue might be alienated, do you think she would be able to continue that policy of public works?—Not if the Federation chose to pass such a policy as would prevent the raising of revenue through the Customs. We in Victoria get two millions and a half. If the Federal Parliament passed such a law as to prevent us getting more than a million we would be in a terrible fix. The Federal Parliament is not going to do anything which would render any State insolvent.

638. Taking the Customs revenue of New Zealand as two millions per year, could you say what would be the probable amount New Zealand would have to contribute from that towards the cost of the Federal Government?—What is your population?

639. Eight hundred thousand?—We here, with a little over a million, would have as our share £120,000 per annum. Yours will probably be about £80,000, taking it on a population basis. It is the desire that the new tariff should bring in sufficient to give back to the States practically the same amount of revenue they have at the present time, *plus* the new expenditure—that is, that the State shall be left exactly in the same position as now. Whether the tariff will enable that to be carried out or not time alone will tell. No matter how you may frame a tariff, it may not answer your expectations. The only new expenditure likely to be incurred would be some additional defence expenditure, and if that amounted to any large sum it would have to be borrowed. There would only be the question of interest on that.

640. *Mr. Millar.*] We have been told that under the Commonwealth one of the great advantages of federation will be the reduction of the rate of interest due to the conversion of loans: has the Federal Parliament any intention of taking over the debts of the States and converting the loans?—There has been no opportunity of considering any of those matters; but, personally, I think those debts will be taken over, and that gradually they will be converted and consolidated. We are not going at once to have a large conversion scheme. You cannot expect bondholders to give up bonds bringing in 6 per cent. for bonds which will bring in 4 per cent. Any one who thinks that knows little of the British money-lender. They will expect to get as good a return as now. The only means of converting and consolidating will be when loans are about to mature, and then people holding stock which has one or two years to run may be glad to get Commonwealth stock exchanged at a lower rate of interest than the stock which they hold, as they might not be able to get as good an investment when the stock fell due. Those who say “convert the whole lot and save a million or two yearly in interest” are talking nonsense.

641. Can you see any permanent advantage to a State in having the loans converted?—No, except as they fall due.

642. As a matter of fact, that argument is often used by Treasurers who want to get hold of a sinking fund?—With our sinking funds I bought up the stock.

643. You use it for the purpose for which it was created?—Yes.

644. That has not been the case in many of the States?—No.

645. Do you anticipate a gradual growth of the powers of the Commonwealth and a decrease of the powers of the States?—I think it is probable that the Commonwealth will take over the debts and the railways, but I do not think anything else will be interfered with. Matters like mining and education will not be interfered with.

646. Do you anticipate any friction between the States?—I do not think that is likely to arise, as the powers of the Federal Parliament are strictly limited. If the States had certain powers given to them and the Federal Government had the residue, then there might be friction.

648. Do you not think any progressive movement in any one of the States will be likely to be retarded?—I do not think so.

649. Would it be possible for Victoria to pass an Act reducing the hours of labour unless the same conditions existed in New South Wales?—It might be more difficult for competition, but I think what would be done here would force the hands of the people in the other colonies. We are all copying the advanced legislation of New Zealand. It is a question of public opinion and of those interested.

650. There may be the same public opinion, but it is not expressed so unanimously owing to the larger population here than in New Zealand?—Perhaps it is accounted for by the fact that you have had such good times, and could very easily afford to give the benefit. When times improve here our people will press to get equal benefits for the workers. The workers are strong, and they have the sympathy of tens of thousands of people who are not workers.

651. Do you not think it would be better for the Federal Government to have that power, and to apply it at once?—Yes.

652. It would save friction?—Yes.

653. There are still further powers which might have been granted to the Federal Parliament?—Yes; if we had thought of factory legislation we certainly would have made it one of the subjects for the Federal Parliament to deal with. It is hard for us to give certain benefits for the workers here and for New South Wales not to give it. They can compete with us on better terms.

654. The £80,000 from New Zealand would be the direct expenditure?—The new expenditure.

655. That is on the assumption that there are only certain things to be done: does that include the contribution in the event of penny-postage being established, or old-age pensions?—No; we have penny-postage now in the State of Victoria. The old-age pension scheme would certainly increase the expenditure of the Federation by an enormous amount. That is not practicable under existing conditions, as we must return three-fourths of the Customs revenue to the States. It is financially impossible to provide for it now.

656. If you retained one-fourth of the Customs duties of New Zealand it would amount to about £527,000?—Assuming the full amount were retained. That is not only to cover the new expenditure, but the loss on the Post Office, and the heavy expenditure on defence, from which there is no revenue. We reckoned the loss on services taken over—post-offices, defence, lighthouses, and similar matters—at about £1,200,000, and that the new expenditure occasioned by federation would be £300,000 per annum.

657. The New Zealand Post and Telegraph Offices left a profit of £80,000 last year, excluding interest on the cost of construction?—Yes; for a number of years you get back exactly what you collect, less your share of the new expenditure. The expenditure so far is a very small proportion of the expenditure we estimated. This month it will be heavier because we have the elections. We will also have the payment of members next month. I think £30,000 a year is a pretty large amount for the new expenditure. I think it could be kept well under that, although we have to pay here about one-third on the basis of population. New South Wales would have to pay a

little over one-third, and the other colonies the balance. Our share would be £120,000, and yours would be £80,000—that would be the real cost.

658. *Mr. Beauchamp.*] To provide for some of the smaller States, do you think that at the end of ten years the practice of returning 75 per cent. of the Customs duties will be continued in order to save the imposition of direct taxation?—At the end of ten years the gradual increase in the receipts will be quite sufficient to keep the States solvent.

659. And still enable the Government to make a large return?—Yes; a steady increase must go on with the increase of population, and we are all getting over our bad times.

660. You think the debts and railways will be taken over?—Yes.

661. In that case the Federal Government, in order to provide interest on the debts, would be compelled to retain the whole of the Customs revenue?—Yes; and possibly might have to call on the States to pay a little more than the Federation collected, but the States would save the interest.

662. Could our postal services in New Zealand be administered as well by the Federal Government as they are now?—I think we should have a deputy or commissioner in charge of New Zealand with large powers of administration.

663. I suppose we may take it that there would be no objection raised to money being obtained to meet exigencies in New Zealand?—That would have to be done in the same way as it is done in Western Australia.

664. We could be taken into the Commonwealth on somewhat better terms than as an original State?—I think you ought to come in as an original State, with special consideration for any of your difficulties.

665. *Mr. Luke.*] Do you think it is possible to carry on the sugar industry in Queensland and preserve a “white” Australia?—Our information shows that it is so. They had in 1890 50,000 acres under cultivation, and close on to ten thousand kanakas were employed. In 1899 they had 110,000 acres, with only a little over nine thousand kanakas employed. Machinery will gradually be adopted for doing some of this work.

666. But a certain amount of labour will always be necessary: is it possible for white people to carry it on with improved machinery?—According to the information at my disposal, that is so. I would not like to say so definitely, because I have not been there. I know that all the districts interested have sent representatives to Parliament who are strongly opposed to black labour.

667. You know that the present Bill excludes Maoris from being counted: if New Zealand joined the Federation, could provision be made whereby the Maoris could be counted?—The Maoris are an entirely different race from our aboriginals.

668. On sentimental and other grounds New-Zealanders think they ought to count?—If that were the only difficulty I personally would be glad to meet New Zealand. I do not regard the Maoris as being on anything like the same grounds as our aboriginals.

669. You have already mentioned that special powers should be given to New Zealand as regards administration; but in the great Federal undertakings that will ultimately come within the scope of the Federal Parliament would there not be a community of interest growing up here with which New Zealand would have nothing in common, in view of the twelve hundred miles of ocean coming between us?—That might possibly be so. I do not know that distance would prevent proper management. You would probably have officers there with very large powers of administration.

670. I refer more particularly to the expenditure of money in the carrying-out of large railway undertakings: could anything be devised by which certain powers will be given to New Zealand as an equivalent?—You might provide that any of our railways across the continent should be chargeable only to the continent, and that New Zealand should not be called upon to contribute.

671. Probably it would be a reasonable thing to expect that the Federal Parliament would subsidise fast steamers to bring New Zealand closer in point of time?—As far as I know the feeling of the people in Australia, they would go a very long way indeed to get New Zealand into the Federation, although some of our farmers think that you, having the run of our markets under federation, would be able to injure them by your more prolific products.

672. Supposing we did not enter the Federation, is a reciprocal tariff possible?—I do not think there is the slightest possibility of it; all previous attempts at such proposals have failed.

673. *Mr. Leys.*] We are very anxious to get at something like a basis for working out the effect of federation on the State finances: do you think we can take Mr. Barton's statement of a gross tariff to produce £8,500,000 as being near the mark?—I think that will be the amount as nearly as possible.

674. You think if we took that as a working basis we should not be far astray?—No; I think that would be approximately correct.

675. You think the railways and debts will be ultimately taken over: in that event, would railway-construction be a Federal function?—Yes; otherwise you might have the States constructing railways which would be competing against the Federal railways.

676. I can see that that might be of great advantage to Australia, but it might not work so advantageously to New Zealand. Do you think any special condition could be obtained by New Zealand to secure to itself the right of constructing railways?—I think some provision of that sort would have to be made. Here we have one continent, and you have your own islands, and in matters of that kind you would probably have to have larger powers than we could have in our own undivided country.

677. In Tasmania we found they are confronted by the fact that when their Customs and excise revenue is gone the amount returnable will be less than will cover their State requirements?—They cannot tell that.

678. That is their impression?—They cannot possibly tell that until the uniform tariff comes into operation. At present they are getting back every penny they pay in, less their share of new expenditure—a very small sum.

679. You would not suggest that the present rate of Federal expenditure is anything to go by, seeing that the Federal Government machinery has hardly commenced to work?—We reckon £300,000 a year, of which they pay a very small proportion; this would be the outside expenditure, and the Federal tariff would have to be so framed as to include that £300,000. They may not have to pay any portion of the expenditure at all.

680. They have been leaning on a higher Customs revenue than the Federal Government is likely to impose?—That is so. Tasmania is one of the States as to which difficulties may arise in framing a tariff which will give it enough, and yet not give all the other States far and away too much. Therefore a special provision has been inserted in the Act by which financial assistance can be given to any State if necessary, because it would be far better for us as States to allow a portion of our revenue to go to Tasmania than have a very high amount of taxation on ourselves, and give us more money than required.

681. Is not Queensland in the same position?—I do not know sufficient of Queensland's financial position. I always calculated on Queensland being out of it, and I have not yet started making calculations in regard to that State.

682. Our average Customs revenue in New Zealand per head has been considerably larger than that of Tasmania, and very much larger than that of Victoria. The tariff takes a very wide range in New Zealand, so that we would have to contemplate the position we would be in in the event of a great shrinkage in our Customs revenue. Assuming that the Federal requirements, including interest, absorb the Customs revenue, in what way are we to provide for future works?—You would have to provide that yourselves if you stayed out of the Federation.

684. We have now entire control of the Customs revenue for our own purposes: in the other case the Federal Government will levy the Customs taxation in view of the requirements of all the States?—Certainly.

685. That seems to be the difficulty in Tasmania. Can you suggest how Tasmania is to provide for future works?—You can only do it by borrowing for them.

686. On what security?—The security of the good faith of the colony.

687. How is she to meet interest on non-productive works?—If she had to borrow the money she would need to have some means of raising the interest, unless the general advance from year to year in the income of each of the States will allow them to bear the extra burden without extra taxation. Our revenue five years ago was six millions and a half; this year it is eight millions. It is now for nine months £300,000 better than it was for the nine months of last year.

688. You anticipate that the return from the Federal Government under the head of Customs will be large enough to enable you to cover loans without additional taxation?—The extra revenue derived from all other sources, and the steady increase from Customs, will give each of the States an increasing revenue on the whole, and enable them to meet the interest. A State should not borrow more than a million or a million and a half a year. We are borrowing about a million and a quarter a year. A State that spends much more must ultimately get into trouble.

689. We found that in New South Wales financial experts appeared to think that the finances of federation under the Braddon clause will break down: do you anticipate that?—It will prevent heavy expenditure like old-age pensions. I do not see how it can break down.

690. Others seem to think that the requirements of the various States were so different that it would be found unworkable?—The Braddon clause had nothing to do with that. The Federal tariff certainly has. The first object the Federal Government must have, in view of keeping the solvency of the States, will be to frame a tariff to bring back to each State the amount collected at the time of federation, and, if possible, a further sum to cover the new expenditure. The Braddon clause will not affect that, because it simply says that we must not spend more than one-fourth of the Customs revenue, and return three-fourths.

691. The opinion was that the Braddon clause imposed such a restriction upon the Federal Government in framing its tariff that it would be quite unworkable?—It does not impose any restriction on the framing of the tariff. It imposes a restriction on the amount the Federal Government can spend of the States' money. You can frame your tariff to bring in any amount you like over four times the expenditure. You must frame your tariff to bring in at least six millions under the Braddon clause, because you have to spend a million and a half, and you must return three times that to the States; but you can bring in eight or nine millions. You are not restricted in that direction.

692. You are compelled to return 75 per cent. to the States, which is really a controlling factor?—It is a controlling factor to prevent extravagance by the Federal Treasurer. If he wants to run into a quarter of a million extra expenditure he has to raise a million to do it, which is an impossibility.

693. Do you think federation in Australia would have come about but for the conflict of the border duties, and the difficulties about irrigation, and the differential railway-rates?—I think the main object was to get rid of the border duties, and in addition to that there was a very large amount of sentiment, especially amongst the younger generation. Then there were the rival railway tariffs, which certainly had an effect. We go into New South Wales territory and allow 50 or 60 per cent. discount on the freight-rates. The necessity for a uniform system of defence also had a large influence. The question of sentiment was a very strong moving power, more especially amongst the younger generation.

694. These conflicts do not apply to New Zealand?—No.

695. Can you see any benefit in regard to New Zealand beyond intercolonial free-trade?—That ought to be of great benefit to you. If all our ports are open to you, with your great producing-power you ought to be able to send a large amount of produce to us.

696. We have been told that there may be some conflict between the Federal Government and New Zealand with regard to the South Sea Islands?—I do not think there is any more danger than if

there was no Federation. We are not likely to get on bad terms with New Zealand under any circumstances.

697. *Hon. Major Steward.*] As to New Zealand's share of cost of the Government, £80,000, on the same basis would you take into account the interest and the cost of works such as the trans-continental railway?—No, that is not taken into consideration. We do not take that into consideration in the £300,000, but only interest on the cost of public buildings taken over.

698. In the event of such works as the trans-continental railway being constructed, if New Zealand were in the Commonwealth she would have to pay her Customs revenue to the Commonwealth subject to the right of your taking 25 per cent. of it?—Yes.

699. No doubt if the trans-continental railway were constructed the interest on the cost of that line would be paid out of that 25 per cent.?—It would be unless some special provision were made to guard New Zealand's interests.

700. Therefore we should have to contribute to it although we might obtain the most indirect benefit from it?—That is so.

701. It would be a fair assumption, if she came into the Commonwealth, that New Zealand being so far away should obtain some special consideration?—I should say that, as to all large works in which New Zealand could not benefit the same as Australia, it would be fair that she should receive some special consideration.

702. That she should be exempted from the charge?—Yes.

703. Or that, on the other hand, some compensating advantages might be given?—Yes.

704. In order to bring us nearer to the seat of Government in Australia it might be necessary to put on fast steamers, and a large subsidy might be involved?—Yes.

705. That might be a fair consideration?—I think, as to the point you mention with regard to the trans-continental railway, it would be unfair to expect the people of New Zealand to pay for what they could not get the benefit of.

706. What is your view in regard to the postal arrangements already entered into? You are aware that we have at present, so far as the whole of the British Empire is concerned except the Australian Colonies, a penny-post in operation: are the existing contracts to remain?—You certainly could not break any existing contract. When we take over any department we take over all the obligations of that department, and no Government of any kind would attempt to break a contract already entered into. I fail to see how a contract made between two parties could be broken at the option of one of them.

707. Supposing after we entered the Commonwealth a greater power than ourselves took charge?—Neither ourselves nor a greater power could break the contract. No Parliament would dare to enact what would virtually be repudiation.

708. You consider that the arrangements we have already entered into with regard to penny-postage outside New Zealand could not be interfered with?—Not during the currency of the arrangement. At the end of it you would have to come under the uniform law.

709. With regard to old-age pensions, we have an Act in New Zealand?—We have a temporary scheme here.

710. You arrange for 10s. a week?—Yes.

711. Ours is practically 7s.?—You allow a man earning less than £1 a week to receive a pension. We do not; we do not allow more than 10s. a week. You allow him to go to £52 a year.

712. One of the powers of the Federal Parliament will enable them to deal with old-age pensions. Supposing it passes an Old-age Pensions Act, then our Act will be different from yours?—It must be uniform.

713. *Hon. the Chairman.*] We have been told that Victoria can produce pretty well all the agricultural products she requires, and export them: do you agree with that?—I have not sufficient knowledge to give a definite answer as to that. We do not produce all our requirements in many things. As to many others, we do produce more than we require.

714. You spoke of free-trade being an attraction to New Zealand to come into the Federation. If what is said just now is correct, there is not much that New Zealand can send to Australia that she cannot produce already, except kauri-gum and so on?—I know that some years ago, when the matter was being discussed in our Parliament, it was said, with regard to oats, that your return per acre was so enormous as compared with ours that you would be able to sell cheaper here than our farmers could.

715. Are you acquainted with the agricultural products of New South Wales?—No.

716. You could not say whether they can supply all their requirements?—So far as I saw, they appeared to import about two millions and a quarter of foodstuffs every year in New South Wales.

717. As regards the clause in the Constitution Act which enables the Federal Government to grant financial assistance to certain States, what do you understand is to be the nature of that assistance?—It would probably be by taking over a portion of their debts, and paying interest on them. I think assistance in the way of cash would look too much like charity. I think Parliament would probably try something other than giving cash assistance, probably by way of loan, repayable by a sinking fund.

718. We have seen it stated in the papers that Mr. Barton has said that the Federal finances will require a tariff to produce eight millions and a half: if that is so, would not that modify somewhat the evidence you have given to us as to the effect of the Federal Government being entitled to retain 25 per cent. of the Customs duty?—It would enable them to retain a larger amount if they so desired. The State's Treasurer would have a correspondingly greater difficulty in adjusting his State finances. As the representatives come from the various States, and as the people in the States would take care to make the representatives understand that there must not be large expenditure, and they must be heavily taxed, I do not think there is much fear of the one-fourth being spent. The pressure of public opinion would be too strong.

719. Mr. Barton is reported to have said that it is no use talking about less than that being sufficient for Federal purposes?—That is on the assumption that the total expenditure is a million and a half. If you are going to spend two millions and a quarter, then you will have the States short of that amount, which they would have to raise by direct taxation.

720. In that case how much would be the contribution from New Zealand?—It would be largely increased. The representatives sent from the various States are to a very large extent men who have been in political life. They know if they do anything which would enable the Federal Government to incur heavy expenditure, and by that means cause the local Government to put on new taxation or resort to drastic retrenchment, they would get the blame. They would take good care there was no extravagant expenditure.

721. What do you consider is the principal attraction to the States in Australia becoming members of the Federal Parliament? Do you think it will lead to the probable ultimate extinction of the States?—I do not think there is the slightest possibility of that. There is such an enormous quantity of work for the local State Parliament to do.

722. *Mr. Millar.*] How do you propose to assess the value of the buildings you take over? Are you going to take them at the valuation of to-day, or the cost-price?—It would be done by arbitration under our Lands Compensation Act. It would be at a fair value. There is not much in that, because, although we have to pay interest, the States find the money.

723. You would take over our Marine Department, controlling the lighthouses, and so on, and take it exactly as it stands?—I think we would take only the principal lights; we would not interfere with the harbour-lights.

724. You would collect the light dues?—There would have to be some arrangement.

725. There is a lot of administration which it would be impossible for a central body to look after?—A central body could not administer the river-lights. That would have to be left to the local Parliament, and what proportion of the dues would be allowed would be a matter of arrangement.

726. There are a lot of Government wharves included?—I do not think the Federal Government would have anything to do with wharves; they would be internal matters.

727. You would only take over the coast-lights?—I think that is all.

THURSDAY, 4TH APRIL, 1901.

Brigadier-General J. M. GORDON examined. (No. 223.)

728. *Hon. the Chairman.*] Will you kindly tell us your name and rank?—Brigadier-General Joseph M. Gordon, Commandant of the Military Forces of South Australia.

729. How long have you held that position?—Since 1892. I was in the Royal Artillery.

730. We have, amongst other things, to consider the question of New Zealand federating with the Australian Commonwealth, and as to how the defence of the Colony of New Zealand would be affected under federation. Will you kindly give the Commission your views as to what advantages would occur, in respect to defence, from New Zealand joining the Federation?—I think, from a military point of view, taking the whole question not so much as one of internal organization, but for the purpose of the defence of Australasia, it would be of the greatest advantage that the military forces of these portions of the southern sea should be under the control of one Commander-in-Chief, who would rule and guide the different States in regard to the action that might have to be taken in time of war; otherwise there might possibly be a difference of opinion between the General Officer Commanding in Australia and the General Officer Commanding in New Zealand at the most critical moment, and that would be a disadvantage.

731. Do you know New Zealand?—Yes, very well.

732. Do you think there would be any difficulty in transporting troops from New Zealand in time of war to Australia, or *vice versa*?—In the event of the shipping being available, I do not see any difficulty. There would be no more difficulty than is experienced in sending them continually from England to Gibraltar.

733. We have a small-arms-ammunition factory in New Zealand: do you think it is advisable that that should be maintained there?—That opens up a very big question, and it is this: the most essential point in connection with the defence of Australia is, to my mind, uniformity of armament, and that is a most important reason why there should be federation. I am speaking from experience on this point, because for the two years before I went to South Africa—from 1898 to 1900—I was appointed by these colonies Military Adviser and Inspector of all stores in London in the place of Colonel Harman, who died. At that time the Government of New Zealand had seceded from the arrangement that was then in force, as they wished to have an officer of their own. Another officer was appointed for New Zealand, but, as a matter of fact, the work was done in my office. Now, if we had not uniformity of armament we should have to maintain all sorts of branches in New Zealand, which would also have a different military officer from the Commonwealth, and it would be very little advantage to establish arm-factories if we were going to have in any State of Australasia a different arm from what other States had, because you would require an entirely separate class of machinery. Even without federation New Zealand, in respect of its armaments, should be guided, as far as possible, by what the Commonwealth does; and in any case it is most essential, I think, that you should continue to have a small-arm factory of your own, so that you could turn out everything you require in that direction.

734. *Hon. Captain Russell.*] I suppose, General Gordon, we might assume that so long as England has command of the seas there will be nothing but filibustering attacks on these colonies, or do you think it would be possible to land a force of over a thousand men?—So long as we have the command of the sea we need fear nothing, but the whole thing depends on our having command of the sea.

735. Supposing England lost command of the sea, could Australia send men to New Zealand's assistance, or New Zealand send men to Australia's assistance?—They could, but they would have to take the risk, in the same way that we have to risk going across an enemy's land; but I think it would be risked if New Zealand wanted assistance.

736. Do you think it is within the bounds of possibility, from your South African experience, for a European Power to land a sufficient army that could do permanent injury to Australia or New Zealand?—That is rather difficult to answer offhand. I do not think you could prevent them settling for some time. It would be a military occupation simply of certain chief towns, but I do not think they could overrun or take the country.

737. Should you say from your experience of New Zealand that with our organization and potentialities for modern defence we could hold our own irrespective of Australian troops coming to our help?—What is the population of New Zealand?

738. Eight hundred thousand?—How many fighting men could you muster?

739. We have fifteen thousand enrolled Volunteers, and with a conscription we could have, perhaps, between two hundred and three hundred thousand men?—That would suffice in your case probably.

740. Supposing we were federated for defence purposes, what responsibility would lie as between the Officer Commanding in New Zealand and the Officer Commanding in the Commonwealth?—Practically the same responsibility as exists now between the General Officer Commanding in Ireland and the Commander-in-Chief in London. The General Officer Commanding in Ireland has the full control of all administration in Ireland, subject to the approval of the Commander-in-Chief. He carries out his instructions; but for practical purposes the General Officer Commanding in Ireland has full and absolute control. Similarly, I take it that the Commander-in-Chief here would have the power of appointing the General Officer Commanding in New Zealand, in the same way as he has the power to appoint the General Officers Commanding in the several districts into which the Commonwealth would probably be divided under the new Act.

741. If a hostile force landed in New Zealand I suppose the Officer Commanding there would be practically independent?—Supposing there were war, he would be practically as independent as General Buller was in Natal, with Lord Roberts working away at Kimberley. General Buller tried to communicate with Lord Roberts in many cases, but he could not; and the General Officer Commanding in New Zealand would have to be responsible to the Federal Government, through the Commander-in-Chief, for the conduct of the war there.

742. Do I understand you to imply that the selection of officers to command the local districts would rest with the General Officer Commanding in Australia?—The final approval would, and there could be no appointments made without the approval of the Commander-in-Chief.

743. And that you look upon as essential?—Most essential. I take it that the Commander-in-Chief would take the responsibility. They could advise him, but he has to be responsible to the Commonwealth Government, and he would probably put his foot down.

744. *Hon. Mr. Bowen.*] Considering the want of coaling harbours on the part of foreign Powers, is it likely that any Power would be able to land anything but a filibustering force in these colonies so long as England holds the seas?—I do not think they could, excepting the French from Noumea, where they have any amount of coal. They have coal there enough to last five or six years.

745. I presume that Noumea would be blockaded by the English fleet?—We would try it.

746. With regard to sending away a land force from Australia, in the event of any disaster to our navy, would there not be a great difficulty in communicating as between Australia and New Zealand?—We had no difficulty in landing 250,000 men in South Africa.

747. I mean in the event of Britain losing command of the sea?—Then there would be difficulty.

748. Then, I suppose the best thing to be done would be for us to defend our own coasts?—If such a thing occurred as New Zealand being interfered with, or being actually taken possession of, even for a time, by an enemy landing, then it would be for the nearest friend to do his utmost to help you.

749. I understand that you attach the greatest importance to the necessity of keeping uniform our defence system in the time of peace?—Yes, and particularly the armament in the shape of rifles and ordnance. In Sydney, Adelaide, and Melbourne you will find different guns, necessitating different ammunition. We should be able to make everything we require for our armament, our rifle ammunition and heavy-gun ammunition as well.

750. I presume that uniformity could be insisted on in these colonies whether they federated or not?—I am afraid not.

751. Not by the advice of headquarters?—The Colonial Defence Committee has been at it for years, but you cannot tell a self-governing colony that they shall do "so-and-so"—at any rate, it has not been done. The question of uniformity is not a new thing; it is as old as the hills, and it was considered long ago, but it has not been carried out in spite of advice we have received time after time from the military authorities.

752. *Mr. Millar.*] In working out the scheme of defence for Australia do you simply take Australia as it stands at present?—No; that has been worked out in regard to the States, but I think it would be advisable to include New Zealand. I include New Zealand in Australia for practical purposes.

753. Have you considered what effect the annexing of the Pacific islands would have on the question of defence?—It would simply throw a great responsibility all over Australasia. If you give protection in one place you must accept that extra responsibility.

754. Would it not considerably increase the naval expense?—No doubt it would, and the naval question would come in, because that question will presently become a Commonwealth one, as the question of the colonies contributing to the navy will have to be reconsidered. If the English

Government ask for a further subsidy towards the navy and the colonies grant it, it will carry with it the providing of extra ships.

755. If we annex these islands, would it not be only right that we should pay for it?—Do you propose that they should be annexed to the Government of New Zealand or to the Commonwealth?

756. There is a difference of opinion: Australia does not think it right that New Zealand should have them, but geographically the majority of them are much closer to New Zealand than to Australia?—If these islands are annexed and handed over to the Government of New Zealand to look after it may cost you more, and probably will, to control their affairs.

757. Has the Conference of Commandants dealt with the question from that point of view?—No.

758. I presume they will take it into consideration seeing that it is a live factor?—The matter will hardly be relegated to the present Conference, because the present Conference is arranging for an Act dealing with discipline and administration only, and the matter you refer to is one of policy.

759. *Mr. Beauchamp.*] Have you formed any idea of the probable amount that would be required to carry out a complete system of defence for the Commonwealth?—I think it would be quite half a million.

760. Would that include, or not, subsidies to be paid to the factories that might be established here for the manufacture of munitions of war?—In the first instance, another important question arises in that connection: whether the Federal Government will undertake the inspection of these factories, or whether they will allow them to be established under a system of giving grants of land and bonuses to private companies in order to start the factories. They could grant land and certain privileges, and could make contracts with a company for a certain time, but with the stipulation that after fifteen years the Government should have the right to take the establishment over as its own. That would mean a saving to the Government in respect to the starting of the works.

761. *Mr. Leys.*] If such companies as you describe were established, would you deem it a proper condition to insist upon the maintenance of an ammunition-factory in New Zealand as separate from the Australian one?—I think it would be most advisable to have one in New Zealand, for if New Zealand had to depend upon Australia for its ammunition the possibility might be that you would be left in the lurch at the very time that you wanted it. The same thing happened in Australia in 1885 when the Russian scare was on. We sent Home early for two million rounds of ammunition, but never got them, as every factory was full of orders, and there was no spare ammunition. We had to do without it for months. At the beginning of the South African War we cabled for ammunition, but never got it, and if you had to depend on Australia for your munitions of war you might be in the same position when war broke out.

762. It has been suggested to us by an expert in defence that the establishment of a central factory under Government control in Australia is the most desirable thing on account of the cheapness of such a system?—That is questionable; I think New Zealand is quite important enough to have a branch one. The central one is of the utmost importance, but you are so very far away that a branch is desirable. Then, you would have the additional advantage of your money being spent in your own colony, where the workmen were employed.

763. Do you think it probable that Australia will set up a fleet of its own?—I do not.

764. Do you think it is desirable?—I do not.

765. Do you think the present system of contribution to the Imperial fleet is the most profitable and best?—I think it is; but I would qualify that point by saying that there should be a sort of condition attached to that subsidy. The present arrangement says they are not to go outside Australian waters, but that is simply ignored, because I remember reading in a paper where Admiral Bowden-Smith said "if he wanted to go outside Australian waters who was going to tell him not to go?" The condition I think necessary is that there should be some arrangement by which the services of the large body of coastal seamen employed in these colonies could be utilised. They would make excellent reserve-men, but they are wasted here because they are not properly encouraged; nor can they be trained locally to defence-work.

766. *Hon. Captain Russell.*] Do you think they would submit to man-of-war discipline?—You have had an example set you very lately by South Australia, which sent the gunboat "Protector" to China manned by Naval Reserve men, who have earned the highest encomiums for their admirable conduct and services. Similarly, our citizen soldiers have earned the highest praise in South Africa.

767. How would you embody such a force as that?—That is more a naval question, and I am only speaking of the general principle.

768. *Mr. Leys.*] In your estimate of half a million did you include the cost of interest on the additional coastal defences that will be necessary?—I think that all comes out of loan, and it has been the practice in the past to take it out of loan. I am only speaking of the money required to carry on the defences from day to day, including cost of rifles, ammunition, equipment, clothing, ranges for rifle practice, and the cost of the general conduct of affairs.

769. Do you think that any large amount of loan-money would have to be spent upon the defences of Tasmania and the northern ports?—There will have to be some, but I could not give the estimate offhand. I take it there will be £1,000,000 spent in five years. Take Port Darwin, which may be left alone or fortified.

770. Do you contemplate establishing a Commonwealth army or relying mainly on the Volunteer Forces?—You might have to rely on the Volunteer Forces as against a regular Force. A branch of it might be called Militia, whom we call our partially paid Force, the men of which, when they turn out, get 3s. or 4s. a day. There is also the Volunteer Force getting a capitation

grant, but they are all Volunteers and not regulars. At the start of the Commonwealth what you call your standing army will be as small as possible, and the defence of Australia will depend entirely on the Volunteers.

771. Have you formed any estimate of the number of the subsidised force you would have?—I have an idea the numbers to be raised will depend on the amount of money Parliament votes, but the probability is that the number will be what it is now, only that there may be a reserve required for the protection of each State, which was the idea when we drew up the Federal scheme previous to the Commonwealth being established. The number that was put down for such a scheme was from thirty to thirty-two thousand men, in addition to what each State kept up for itself.

772. Then, the total force would be—what?—Between fifty and sixty thousand.

773. *Hon. Major Steward.*] In the half-million estimate you spoke of of course there is no provision for forts, guns, or submarine mines for harbour defence?—To a certain extent they are included. If you require to replace a submarine boat it would come out of that money, or a new boiler for an old boat would come out of it, or anything required to keep the present defences in working-order.

774. You told us that there is a large depot of coal in New Caledonia: is that authenticated?—So I am given to understand by pretty good authority. I cannot say it is so, but we have very good reason to believe it is.

775. Have you any reason to believe that Germany has any coal depots for military stores in the Pacific?—No; and no other nation I know of, besides France.

776. In respect to factories for small-arm ammunition, do you recognise the necessity of our continuing our small-arm-ammunition factory, as well as there being one on the mainland?—I do. I think it is most advisable.

777. With respect to uniformity and equipment, do you propose to rely upon contracts with private firms for such things, or to have a central Government factory for supplying them?—The clothing should be a State matter, and I see no necessity for a central factory for the supply of clothing any more than one for boots.

778. Do you think it desirable that there should be more training-ships for boys in the colonies?—I do; but my idea was that the ships of the Australian squadron which are in reserve should be manned for a month with Naval Reserve men, who should cruise in them and attain a knowledge of their business by actual training on board a man-of-war. Then let the ship come back and take another crew on board and train them in the same way. Let her go to Adelaide, and send another ship on to Brisbane, but keep them in commission, and depend on it the boats would be twice as well off as laying in Sydney Harbour doing nothing, while the Naval Reserves would get a chance of getting a training on a modern man-of-war, and would then be available to reinforce the crews of the ships of the squadron in case of war.

779. I mean as regards training up boys to the sea, do you think there are sufficient training-ships to allow of their being trained, or should we have more vessels specially for the purpose of training boys?—I think local training-ships are desirable.

780. *Hon. the Chairman.*] Is the establishment of a military college part of the defence scheme here?—I think it is most necessary.

781. Do you think it will be done?—I think it will have to be done.

782. You spoke of the necessity of uniformity of artillery and ordnance, but would not that be a matter of years?—As soon as the Defence Department decides what scheme it is going to have those orders will be put in hand, and that is the time to start making the ordnance uniform. The field-batteries will cost the Government about £11,000 or £12,000 each. I sent one to New South Wales costing about £11,500—that is, with six guns and everything complete.

783. What is the strength of the Force in South Australia?—About 3,200 Volunteers, and 1,500 members of defence rifle-clubs, who are liable to service.

784. What is the allowance of ammunition to the Volunteers in South Australia?—We have no Volunteers; they are all partially paid, but we make them go through the complete course of musketry instruction. They get their ammunition free for class-firing, and we give the rifle-clubs sixty rounds per annum per member, while those who qualify as marksmen get another sixty rounds free.

785. At what price is the .303 ammunition sold to the rifle-clubs?—Half-price. I give them as much as they like, to encourage shooting as much as possible.

786. *Hon. Captain Russell.*] Do you approve of the partially paid system?—Yes.

787. Do you think it is a preferable system to the capitation system?—Very much more so.

788. What is the relative efficiency between the partially paid man and the man who is only capitated?—There is a marked difference; the partially paid man is more efficient.

789. *Mr. Beauchamp.*] Have you any reason to suppose that such lines as the German and Messageries Maritimes could carry a sufficient number of trained men who could be used against us in time of war?—Many of the men in their crews are Naval Reserve men, and are all under liability to serve. In the case of the French, their officers have to be Naval Reserve men; but I could not speak about the Germans. Some of these boats can also be converted into cruisers.

790. *Mr. Leys.*] How is your estimate of half a million increase in the defence expenditure divided as between the colonies?—I could not say for certain.

791. Is your estimate for a much larger force than at present exists?—No; it is the estimate of what the Conference recommended—namely, thirty thousand men extra; but that was at the time when each State was separate, and when we had no idea of federation. It would be a mobile force of thirty thousand; but now there will not be the necessity for that, because the Commanding Officer would be able to move from one State to another any body of men he liked. That he has not the power to do now.

792. Then, you estimated that you would have fifty thousand men engaged in one form or another in the defence of the Commonwealth?—Quite that with the rifle-clubs.

793. We were told by General French that there were only twenty-five thousand?—I do not think he counted the defence rifle-clubs. The figures, I think, are—Victoria, 7,000; New South Wales, 12,000; Queensland, 6,000; South Australia, 4,500; Western Australia, 2,000; and Tasmania, 2,000. In addition, there are the reserves and defence rifle-clubs, comprising many men whom we never hear about, but who are available when they are wanted, and who, under the new conditions, will have to get a retaining-fee to enable them to be called upon.

794. I understand that this thirty thousand would be more of a paid force than the outside Volunteer Force: is that correct?—These thirty thousand were paid men in each State—Volunteers, and partially paid according as each State decided.

795. But are they all of higher skill than the ordinary State Volunteer?—No, the same skill.

JAMES RITCHIE JOHNSTON examined. (No. 224.)

796. *Hon. the Chairman.*] You are a member of the firm of Johnston and Sons, ironfounders, Williamstown?—I am managing director of the Time Foundry, South Melbourne. We are engineers and ironfounders. We have been established thirty-seven or thirty-eight years, and employ on an average three hundred hands. We manufacture boilers, mining machinery, and do general marine engineering and repairing work.

797. What is the average rate of wages paid in your works?—The lowest tradesman's wage paid by us is 10s. a day for eight hours, and the highest 13s., but there are not many getting that wage.

798. Does your firm manufacture for export?—Yes, a fairly large amount.

799. Have you exported any of your manufactures to New Zealand?—Yes, within the last month, roughly speaking, about fifty thousand pounds' worth.

800. Is there a duty against you there?—Yes, of 5 per cent. We send dredging machinery there at the present time, and a few boilers only to Dunedin. To my knowledge there are no differences in the conditions of labour as between New Zealand and Victoria.

801. Are the men as able to work here and do as good a day's work as the men in New Zealand?—I think so.

802. Supposing New Zealand came into the Federation, and the duty were removed, would that make any difference to you as regards sending machinery to New Zealand?—I do not think so. The reason we got so much work from there was because the New Zealand shops had too much to deal with, and could not cope with the demand, or deliver the dredges in the requisite time.

803. Are you acquainted with any of the ironfounders in Dunedin?—Yes, with Burt and Co. and Sparrow.

804. Taking those works as an example, supposing New Zealand were in the Federation, would they be able to successfully compete with the foundries in Victoria?—I could hardly say that. I do not suppose we could compete against them there, or they against us here, on equal terms. There is such a little difference between the shops that the freight itself would be a serious item.

805. *Mr. Luke.*] What are your hours of labour here?—Eight hours a day, or forty-eight a week, and if we work overtime we have to pay 50 per cent. over and above the usual wages.

806. What are your overtime hours?—The tradesmen's are "time and a half," which starts immediately after 5 o'clock.

807. There is no two hours "time and a quarter" to begin with?—No, but there used to be.

808. Are your apprentices restricted in proportion to the journeymen?—No.

809. Is the proportion very large?—That I cannot say, but the young fellows or apprentices I saw in A. and T. Burt's were in a very much larger proportion to the journeymen than in any shop I have been in.

810. In what department?—Engineering.

811. What would be about your proportion here in that department?—We have no apprentices in the boiler-yard at the present time, and we have, I should say, six in the engineering department—six altogether.

812. What number of engineers would you have altogether?—On an average, fifty.

813. Do the unions regulate the rate of wages?—Yes.

814. Then, these men who get the 13s. a day are, I presume, "leading" hands?—Yes; they are the best men we have got and do special work.

815. You have no Workmen's Compensation Act other than the English Act?—I do not think so.

816. Have you had much trouble as regards cases of injury?—No; in fact, I only know of one case since we have been in business.

817. As regards this dredging machinery you manufacture, I gather it was more a question of time than price?—I think so. I think our prices were higher in every case than the New Zealand prices.

818. Have you delivered all your contracts for dredging machinery?—We have only one in the shop at the present time, which is being kept back for want of the money.

819. Are there other firms making dredging machinery here?—Yes; the Otis Company have manufactured, I think, eleven, but they took the work at such a price for the first four or five dredges that the other shops could not look at them.

820. I suppose Melbourne would do better work, as far as the machinery is concerned, than the New Zealand shops?—No, I could not say that, because when I was in Dunedin Mr. Sparrow showed me a hydraulic plant he was making, and their shops at the present time are just as fully equipped as we are here. Burt's shop is a wonderful one, taking it all through.

821. Do any of your departments work on the piecework system?—No.
822. The unions do not permit of it, do they?—No.
823. What proportion of apprentices to journeymen would you have?—We have only six altogether.
824. How do you make your tradesmen in Victoria?—We get them from other shops. We take very few apprentices, just a few who have partly learnt their trade in other shops, and those shops are also very pleased to take our apprentices.
825. You depend largely upon the tradesmen, then, turned out from the shops in Victoria?—Yes.
826. Do many come here from other colonies?—Not very many.
827. Do you have any New Zealand workmen over here?—No. We have a great dearth of boilermakers at the present time.
828. *Mr. Beauchamp.*] Is your foundry one of the largest in Victoria?—Yes.
829. Is there not a large foundry in Castlemaine?—Yes, Thompson's.
830. How many hands would the establishment at Castlemaine employ?—Five hundred, on an average.
831. Do you think they would be quite unable to compete with New Zealand?—They compete against us here, but they do not pay the same wages, and, as regards overtime, they only pay the actual time worked, no "time and a quarter."
832. Has there been any attempt made in this State to pass a Workmen's Wages Lien Act?—Not to my knowledge.
833. Have you had any experience of an Act of that nature which is in force in New Zealand?—No.
834. *Mr. Millar.*] In New Zealand the Workmen's Lien Act allows 25 per cent. of the contract price being held back for one month after the delivery of the dredge, in order to enable all claims to be paid: are you aware of that?—Perhaps that is the reason why I have not got my money.
835. I think you said you had only one dredge left in hand?—For New Zealand, but I have one at the present time for New South Wales, and one for Java.
836. I presume that is owing to the fact that the local shops have got over the congestion and are quite prepared now to take new contracts?—I suppose so. Our largest turnover is about £170,000 a year.
837. You have hydraulic facilities: do you employ carpenters and boilermakers for them?—Yes; and pay them 12s. a day. We have got to do it.
838. I think you had a telegram from Dunedin as to how you were dealt with in connection with that matter?—From Mr. Chapman, solicitor, yes.
839. Perhaps you are not aware that the boilermakers there are fixed at 11s.?—No; but you have a Conciliation and Arbitration Board there, and there was a case coming before them, and so that telegram may have been in connection with that.
840. The statement was made that you were paying lower wages in Victoria and in New South Wales than were paid by the other States for that class of work?—Of course, I gave our rate of wages cheerfully in any case, no matter how it affected us.
841. How do you anticipate that it is going to affect you under free-trade?—I have never feared the New South Wales people, although they pay lower wages. The men I have work a good deal better here than the men I have seen in Sydney, but Martin's people at Gawler have got a monopoly practically, and are not affected by the unions.
842. I suppose Melbourne arranges and fixes the rate of wages here?—Either Melbourne or Sydney, and yet they get lower wages in Sydney than they do here. They pay as low as 9s. in Sydney, while here we have to pay 10s. as the minimum wage. At the present time in Sydney I do not think they are paying more than 9s. 4d. for boilermakers.
843. So far as we can learn, in Sydney the largest number of the employés are young lads employed at 2d. an hour?—Is that so?
844. Is there much of that kind of thing going on in Victoria?—No. I should be very pleased to let you have a good look round. If you are paying boilermakers 11s. in Dunedin, then you are paying more than we are; I take it that is because there has been such an immense amount of work going on in connection with the dredging industry, but very shortly things will come down to their normal level.
845. In New Zealand the men are classified, and get paid accordingly?—I am very glad to hear that, because that is the trouble here—the unions do not classify the men.
846. What do you pay a man who has to go out of your yard to work on board a ship at the wharf?—1s. a day extra; it is called "dirt money."
847. How do you find wages in New Zealand compare with the wages paid in Victoria in your industry?—I could not say.
848. What did you say was the minimum wage to boilermakers?—10s.
849. And to blacksmiths the same?—Yes.
850. Is that the general rule throughout the foundries of Melbourne?—Yes; but there is one exception: I do not think the Otis people are paying that in their boilermaking department, as it is a non-union department. What we call the labourers or handy men do the work in their shop which union men in our establishment would only be allowed to do.
851. How many hands do the Otis Company employ?—I think about four hundred, partly union and partly non-union hands. I think only in the boilermaking department is it non-union.
852. Are they the largest concern in Melbourne of the kind?—I think they would be classed as the largest in Melbourne.
853. *Mr. Luke.*] Is there much moulding done here by machinery?—I only know of one place in South Melbourne.

854. What class of moulding?—They have practically gone into sewerage-work proper.

855. Then, there is not a great amount done by machinery?—No.

856. Are the men working the machines paid the usual moulder's wage or are they classed as skilled men?—If they do general work you pay the minimum rate of wage, but if they have to make pipes they have a set task to do by a certain time, which is really a system of piecework, although they only get so-much a day.

857. Do any of the shops manufacture locomotives?—The Phoenix Foundry does, but none of the shops in Melbourne. One firm did a few years ago.

858. Are Roberts's, of Bendigo, big engineers?—No.

859. Have they exported quantities of dredging machinery to Dunedin?—No.

860. *Mr. Leys.*] Do you know any class of manufacture in your trade which is likely to be exported to New Zealand under intercolonial free-trade?—No; I do not know of any agricultural machinery which would be sent there, as I have no knowledge of that line.

861. You do not think the New Zealand iron trade has anything to fear?—No; your men are quite able to compete with us in an open market.

862. Has there been any attempt to bring your industry under the Wages Board?—No. I do not think they would do so; but I have been trying to get them to do it, because our position is that we are paying higher wages than the smaller shops, and therefore I should be very glad to see the whole trade brought under the Wages Board.

863. Do you think that is the feeling generally of manufacturers in the iron trade?—Martin's, the biggest men in our trade, think that we cannot compete with your iron-foundries in the New Zealand market.

864. Do you not have to pay a higher price for coal and coke than they do in Sydney?—We are paying now £1 1s. or £1 2s. per ton for engine-coal, and 17s. for slack.

865. What do they pay in Sydney?—I have no idea; but we must pay higher because of the freight.

866. Do you think that the cheapness of the coal and freight will not be a material item in assisting the industries of Sydney?—No; and for your information I might tell you that I have tendered for things very frequently in Sydney. The dredge that we made for Java was open to Sydney and Victoria, and we were successful against Sydney on that occasion. Two or three months ago I tendered for five boilers for one mine. I sent them to Sydney, and I competed successfully against the Sydney people.

867. How do you account for that if coal and wages are cheaper in Sydney than here and if you can get but little more work out of the men than they can in Sydney?—We go by our profits; but perhaps we are satisfied with less profit than they are.

868. *Hon. the Chairman.*] Do you find that matters run smoothly here between employer and employed without an Arbitration and Conciliation Act?—They are running fairly smooth now, and we have had very little trouble for many years. The only thing is that we would like to see all places under the one system, so that we should all be on an equal footing in regard to competition of trade.

869. *Mr. Luke.*] Are there many little shops like those you referred to?—A good number.

870. Do they affect the market-price?—Yes, unless it is a very big job.

Hon. ALLAN McLEAN, M.P., examined. (No. 225.)

871. *Hon. the Chairman.*] You are a member of the House of Representatives of the Commonwealth of Australia?—Yes, and at the present time the leader of the Opposition of the Victorian Assembly. I have been elected without opposition to the House of Representatives. I was formerly Premier of the Colony of Victoria. I have been in Parliament a little over twenty-one years.

872. Are you well acquainted with the agricultural interests of the Colony of Victoria?—Yes, fairly so. I represented an agricultural and grazing district—Gippsland North—in the Victorian Assembly. I represent the electorate of Gippsland in the House of Representatives.

873. Is the agricultural interest in Victoria an increasing one?—Yes, it is. I believe it is increasing steadily.

874. As regards wheat, is the production of that increasing in Victoria?—Yes; the quantity of land under wheat is increasing year by year. Some years when we have a very dry season the crops are light, but the area under cultivation is steadily increasing.

875. Is that likely to increase through the mallee land or any other cause?—I am inclined to think it will increase in the mallee district. That country seems to be more suited for the production of wheat. The climate is dry as a rule, and they get very light crops, but on account of the pliable nature of the soil they can cultivate it at a very small expense.

876. Do you know what is the average crop per acre in the mallee country?—I could not say very well. I should not think it would average over 8 bushels per acre.

877. What is the average price per bushel?—I should not think on the ground it would average much more than perhaps a little over 2s.

878. Can you tell us what is about the price of cultivating and harvesting an acre of that mallee land?—I have seen one man with a team turn up from 10 to 12 acres per day.

879. About harvesting?—They generally use the stripper. In regard to the mallee harvesting, you could get better evidence than mine, because I represent the eastern end of the colony. I can only speak from passing through it. You could get the evidence of men living there.

880. From what you know of it, what do you think would be the average cost of cultivating for wheat?—It must be very low from the fact that such small returns seem to pay.

881. Would an average crop of 8 bushels per acre pay?—They seem to make it pay; they continue at it.

882. In lands, not mallee lands, what is the average wheat-crop?—The average is different in different districts. In the district I represent 20 bushels of wheat per acre would be considered a poor crop. They do not go in very largely for wheat there. They seem to think fattening and dairying pay best. That applies pretty well to the whole of Gippsland.

883. Are you acquainted with the agricultural district of Victoria generally?—I have been all through it many times.

884. As regards oats, is the production of oats increasing in Victoria?—I do not know that it is very largely increasing. I think it is. I think there is a steady increase. The statistics show a steady increase.

885. Are they able to supply their own requirements in Victoria in oats?—There is no doubt they could supply more than their own requirements if they did not find anything else pay better.

886. Do you know what is the average yield of oats in Victoria?—I could not say from memory, but in Gippsland they generally look for a return of 45 to 50 bushels per acre. I have seen them get as high as 70 bushels to the acre. You could not put the average generally as anything approaching that.

887. What do you think is the average right through Victoria?—That would include the drier districts. It would be very much lighter. I should not like to say.

888. It was 26 last year?—I was going to say about 25 bushels. They could produce much more than they do if it would pay them.

889. Do you think that the Victorian farmers need fear the competition of New Zealand in oats?—So far as I could ascertain in making inquiries, they seem to be able to produce better crops. Before we got the duty on they used to undersell the Victorian farmer.

890. Does the oat produced in Victoria answer all the purposes for which it is required in Victoria?—It seems to; but I have heard horse-trainers say that the New Zealand oats were better. I knew some owners of racehorses preferring New Zealand oats and paying the duty.

891. As regards potatoes, are they largely grown in Victoria?—In some parts. In the western district they grow potatoes very largely. In my district they do not seem to grow them largely. They export some to Melbourne, but they do not produce much more than the local requirements.

892. Can they supply themselves with potatoes?—There is no difficulty in growing them. It is much the same as the oats. Tasmania, for instance, used to export here successfully and compete with the local growers. I think it is probable that they could, but the Victorian people seem to go in more for grazing and fattening.

893. As regards hams and bacon, can they produce all they require?—There is no doubt they can. There is no difficulty in the way of doing it.

894. You are aware that Victoria has lately exported largely agricultural and dairy produce?—Yes.

895. Is there much land in Victoria suitable for agriculture that is not at present used for that purpose?—There is a great deal of land in Victoria that is admirably suited for agricultural purposes that is applied to grazing.

896. So far as fresh meat is concerned, is the supply of that abundant in Victoria?—Yes. They have exported a good deal the last few years. They import some live-stock into Victoria from New South Wales—cattle and sheep.

897. As regards fruit, is that profitably grown in Victoria?—Yes, in the northern districts especially—up Rutherglen and Mildura, and other places. In the Gippsland districts they produce apples very successfully. There are not many that seem to go in for that, especially in the cooler districts, such as Gippsland. In some of the northern districts they do.

898. Do you know if fruit is exported from Victoria?—It is to some extent. They send apples and other fruit home to England from here.

899. Is there any climatic or other disability against the raising of fruit in Victoria?—No, I am not aware of any. They are sometimes troubled with the codlin-moth.

900. How about droughts?—The droughts affect production generally in the northern districts, but a good many go in for irrigation. It is rather expensive, but they seem to do it successfully. Mildura is an irrigation colony pure and simple, and they go in for the production of fruits and vines there almost exclusively. They had some difficulty the first few years in getting a supply of water, but they say it pays.

901. You are a member of the Federal House of Representatives: I take it you have taken considerable interest in the Federal question?—I have taken an interest in it, but I was not a supporter of the present Commonwealth Bill.

902. What objections did you see to it?—There were several. In the first place, I thought the Constitution too rigid. There was not sufficient room for amendment, but that was modified at a subsequent conference of Premiers. When the first vote was taken it was carried in all the colonies except New South Wales. New South Wales failed to get the statutory majority. The consequence was that there was a conference of Premiers. They modified several of the provisions I objected to. There was one provision I objected to on behalf of the Victorian producers and graziers which was not modified. You are aware we have high border duties at the present time, and these were to be abolished suddenly on the adoption of a uniform tariff. I objected to the sudden abolition, because at that time, if you take the item of live-stock, we were importing live-stock very freely from New South Wales, and paying £1 10s. on cattle and 2s. on sheep. A sudden abolition of that would mean a reduction in price. I saw it would be a heavy loss to the Victorian grazier and farmer; but since then the great drought in Queensland and New South Wales has thinned the live-stock to such an extent that prices are nearly equal. To show you the great difference in price at that time, dealers used to go and buy stock in the other colonies, pay duty,

and sell them at considerable profit. My firm are stock and station agents, and a great number passed through our hands. There is nothing like the difference now that there was then, so that if the duties were abolished now it would not be felt to the same extent it would have been felt two years ago. That was one of the objections I urged. I wanted to get the abolition spread over a period of five years, reducing it 20 per cent. each year, in order that the price might be gradually assimilated. I did not like the financial clause. Taking it on broad grounds, I thought that leaving the debts with the States and handing over the principal sources of revenue to the Commonwealth was not good financing.

903. You mean Customs?—Customs, excise, and Post Office. I did not think that was good financing. It appeared to me that one of the great benefits accruing from federation was raising the credit of the colonies. I always thought, and still think, that the credit of the Commonwealth would stand higher in the money-markets of the world than the credit of an individual State, and, that being so, it appeared to me that the body that had the power of raising taxation—that is, the primary and principal power, the one that had the principal sources of revenue handed to them—should have the responsibility of meeting the debts. On the other hand, against that there was the undoubted fact that the improvement of the credit of the Commonwealth would increase the value of the securities, or, rather, of the stocks, on which we borrowed the money—the debentures and other stocks. I thought it was only a reasonable thing that the people should derive a portion of the advantages accruing from the increased prices of these stocks. I presume that must be the reason that induced them to put such a provision in the Bill.

904. After the expiration of the ten years provided for in the Barton clause as to 75 per cent. at least of the duties of the Customs going back to the States, what do you expect is going to happen?—I am inclined to think the Commonwealth will take over the railways and the debts themselves at that time.

905. Do you think that will be for the benefit of the States?—I think it will, because the credit of the Commonwealth will stand higher than the credit of the individual States, and we will be able to borrow more cheaply.

906. Do you look forward to the States being absorbed in the Federal Government?—That is, reducing the number of subjects with which they can deal?

907. The States practically being abolished—instead of being a Federation becoming a Union?—I hardly think that is likely, not at all in the near future, because there are so many matters that require local attention. I think they must keep up the local Parliaments for a very long time, if not permanently. It is possible that some of the matters on which the States now legislate may be handed over from time to time to the Commonwealth.

908. Do you not think, if that is so, the States will be reduced to the level of mere County Councils?—There is no doubt their prestige will be somewhat diminished, and the range of subjects over which local legislation will extend will be reduced, but, still, I think State Parliaments will always be required.

909. So far as New Zealand is concerned, have you considered whether there will be any advantage to New Zealand in her joining the Commonwealth?—I have always thought it would be to the advantage of New Zealand.

910. In what way?—In regard to the credit of the Commonwealth for one thing. I think she could borrow more cheaply through the Commonwealth than on her own individual credit, and then it appears to me that the Commonwealth will be the dominant Power in these southern seas, and I think it will be for the advantage of New Zealand to form a portion of that dominant Power.

911. Do you think the Commonwealth will take over the debts and railways? What security will New Zealand, or any of the States, have to offer for any future lines?—They will always have the power of direct taxation; but the necessity for borrowing would almost reach the vanishing-point if the railways were handed over. I do not know how it is in New Zealand, but here we borrow chiefly for railway-construction. If the railways were handed over the Commonwealth would borrow.

912. Do you mean to say there would be no public works required?—We do not borrow much for other public works unless of a reproductive character. We do borrow sometimes for school-buildings. They are not directly reproductive.

913. *Mr. Roberts.*] Have you been in New Zealand at all?—No; I only know of the conditions of that colony by reading of them, and meeting farmers from that colony.

914. You mentioned one man working 10 or 12 acres per day?—In the mallee. They use an instrument they call a "cultivator"; it is almost like a scarifier. The land is like an ash-bed. They run this through it, and one team of horses can draw it. It makes eight or ten furrows. There is no ploughing after the first breaking-up. That does not apply to any other part of the colony. Others could give you figures more accurately than I can about the mallee. I have had a good deal to do with the mallee in land-administration, and I have travelled through it and seen the cultivation there, but I could not give you the figures as to the cost of the particular operation.

915. Suppose we asked Mr. Lascelles?—He is the best man, and a thoroughly reliable man. I would take his figures before those of any one else.

916. *Mr. Leys.*] I notice that the average last year of wheat was 8·34 bushels for the whole of Victoria: I suppose that average is very much lowered by the poor cultivation in the mallee country?—Yes, it is.

917. When you speak of this high production of wheat in Gippsland, that, I suppose, is more like New Zealand farming?—It is not so much the method of farming as it is the soil and climate. We have very rich soil in Gippsland, and the climate is more favourable than in the northern districts. Gippsland is probably more liable to other drawbacks than the northern district. For instance, there is more rust in the wheat in Gippsland than in the north. I have known the caterpillar to be more destructive there in oats. The principal obstacle to farming here is that fattening and

dairying pays remarkably well, and they are more easily worked. That induces them to go in for these things in preference to farming. There is no doubt the rich land in Gippsland would give the best crops. I have seen over 60 bushels of wheat and over 70 bushels of oats per acre, and maize will run over 100 bushels in the valley of the Tambo and Snowy River.

918. Those averages seem to be really higher than New Zealand?—Those are not averages, but maximums.

919. You said an average of 45 bushels of oats?—I have not looked into the figures, but I am speaking of crops that come under my own observation. I am living in a particularly fertile part. About my immediate neighbourhood these crops are common.

920. What would be the value of land in Gippsland on which these crops could be produced?—There was a property sold the other day and subdivided, and the average price was £26 per acre. It ran up to £37, but the average was £26.

921. Would that be a fair criterion of that rich land?—Yes. You get it from a minimum of £18 or £20 to something about £35 or £36 per acre. That is exceptionally good land. It is in the valley of the McAlister, the Avon, Mitchell, and Tambo.

922. Is there any very large area of such land that could be brought under cultivation if prices paid?—I should think in the valley of the Avon River there must be about 30,000 to 40,000 acres. In the valley of the McAlister there would be a larger area. There is another class of land that runs from £10 up to between £15 and £16 per acre. I should think altogether in the valley of the McAlister there would be about 100,000 acres of rich land. On the Mitchell the land is better. The Mitchell flats average about a mile in width, and probably extend over twenty or twenty-five miles. On the Tambo it would be less still.

923. Still, there is a very large area you could bring under cultivation?—You must remember that that land gives a very good return for dairying and fattening. To give you an instance: I bought a paddock myself in the valley of the Avon River. I gave £18 10s. for 740 acres. I turn off nearly four hundred bullocks in each season on the average. Take this last season: I began sending stock to market from the beginning of June. From June I have sent a truck every week, and sometimes two trucks from that same paddock. This cattle averaged over £10, but I had to pay considerable prices for stores. There would be a profit of about £3 per head.

924. I notice there has been an increase according to the statistics of last year, published to-day, of 90,000 acres in oats. The total last year was 362,427 acres of oats. I presume the production of that large area must be for export, and not for local consumption?—Last year there was the South African market opened up. There was a good deal of horse-food sent there. The Victorian farmers are under the impression that the New Zealand farmers could compete successfully against them in our own markets.

925. The outside market must fix the price?—Yes, if we produce in excess of our requirements; but the place that can produce the cheapest will be the place that can get the bulk of the market. I do not think any Victorian farmer would go exclusively for export if he had any hopes that what he provides would be consumed in the colony.

926. Do you know the present price of oats in Melbourne?—No, I do not.

927. Do you personally think there is any prospect of New Zealand finding markets for agricultural products in Victoria if the duty were removed?—I think they would send a good deal of horse-food here—oats and barley chiefly. I think we can produce maize here as cheaply as they can.

928. As to the financial question, do you think these financial clauses would result in putting State finances in difficulties?—No; I am inclined to think a satisfactory arrangement would be made between the State Governments and the Government of the Commonwealth by which the Commonwealth would take over the debts. I think that would put it right. With regard to New Zealand, I think if New Zealand came into the Commonwealth, on account of her great distance from Australia, it might be necessary to make some special provisions in her favour. I think New Zealand might require to have local control over some matters which on the Continent of Australia could be dealt with by the Commonwealth control—railways and postal communications, and there might be others. There are thirty-nine subjects handed over to the Commonwealth from the State Parliament. In reality there are more, because there are other matters, as it says, "Until the Parliament decides otherwise." If I looked over this for an hour or two with a view of considering the case of New Zealand I have no doubt I could point out several of those that could be more advantageously dealt with locally on account of its distance, so I think it would be necessary to make some concessions.

929. You do recognise that the distance is a difficulty?—There is no doubt. It would make it more difficult to deal with some matters on the continent here for New Zealand than if she were as close to us as Tasmania is.

930. Do you think there is a disposition to give us these special advantages?—I think so, so far as it would not injuriously affect the rest of the Commonwealth. So far as I can gather the feeling of those I come in contact with, there is a very friendly feeling towards New Zealand, and I think they would be disposed to make reasonable concessions in that way.

931. Do you think they would be inclined to enter into reciprocal arrangements if we did not federate?—The greatest difficulty I see in the way of reciprocity is that here our manufacturers would benefit perhaps, and your own farmers would benefit, whilst our farmers might be unwilling to make concessions in favour of our manufacturers. Still, on the whole, the feeling is so friendly that it would be possible to make satisfactory arrangements.

932. It has been suggested that if we did not federate there might be serious difficulties between the Commonwealth and New Zealand with respect to the South Sea Islands: do you think that there is any danger to be apprehended from that?—I have always felt that in the interests of the safety of Australia we should have possession of the islands of the Pacific, or, at any rate, the British flag should float there. Of course, our greatest safety is the distance from

the base of operations of the great military Powers of the earth. So long as we can keep the Pacific islands under British rule, that will always be a great source of safety to Australia. I am inclined to think the Commonwealth Parliament will do all they can to have a dominant influence over the islands of the Pacific.

933. That would have to be done through the Imperial Government?—Certainly; that is one of the reasons that makes me think it would be desirable if New Zealand formed a portion of the Commonwealth.

934. Assuming we did not go into the Federation, do you apprehend there would be any difficulty in making friendly arrangements?—I do not think there would be any difficulty in entering into trade negotiations so that the trade of the islands would not be injured. It would be only for the purpose of defence that the colonies would like to control the islands.

935. That would be an Imperial matter?—Yes.

936. *Hon. Major Steward.*] Is dairying carried on extensively in Gippsland?—Yes.

937. Is it for the manufacture of cheese or butter?—Both, but butter chiefly.

938. Do you work on the co-operative principle? Have you factories established?—There are a great many factories. In many cases we have central factories, and then a number of creameries around the district that act as feeders to the central factories. In Maffra, where I come from, we have a concentrated-milk factory, and they export a quantity of their produce. In a number of other centres they have butter-factories, fed by a number of creameries.

939. Are they under Government supervision—Government instruction or inspection?—In what form?

940. Do you have instructors going round showing them how to manipulate things, and the best way of producing butter and cheese?—Yes; we have some experts in connection with the Agricultural Department that go down and deliver lectures. They have no power. They give a lot of instruction.

941. Have you a system of grading of exports?—Yes.

942. Is there room to extend the industry in North Gippsland?—It is extending every day, and I have no doubt it will extend.

943. There is room for considerable expansion?—Yes.

944. Are you capable of supplying the requirements of Victoria?—Dairying is carried on in other parts besides Gippsland. The western district is also very fertile. The dairying industry is carried on extensively. Last year they must have exported two million pounds' worth in addition to our own requirements.

945. You supply not only the consumption of Victoria, but quantities for export?—Yes; I think we will become very large exporters in the future.

946. I presume until the completion of federation you had to pay duties on products sent to the other colonies—New South Wales, for instance?—There was a duty in New South Wales some years ago, but it was abolished within the last few years.

947. New South Wales took butter from New Zealand last year to the value of £30,000, and cheese to the value of £43,000: how is it that the butter and cheese were not obtained from Victoria, which is so much nearer than New Zealand, if you have a large surplus?—I do not know what the reason is. I know we have been exporting considerable quantities to New South Wales. I remember making up a return about a year ago. I do not know whether dairy products entered largely, but I was surprised at the magnitude of our exports in the farming products to New South Wales.

948. If there was an export from New Zealand to New South Wales of seventy thousand pounds' worth of butter and cheese, while in Victoria there was such a large surplus, how is it that the requirements of New South Wales were not obtained from Victoria? Is it because the article from New Zealand is better quality, or because it can be placed in the market very cheaply?—It is the market for the outside world that has dominated our prices for the last year or two. I got the details from the Government Statist. Taking the products of the farm, the orchard, and the dairy, New South Wales for the last three years imported £3,340,000 more than she exported, whilst Victoria exported £5,452,000 more than she imported; or, in other words, New South Wales fell short of supplying her own requirements to the extent of nearly three millions and a half, and Victoria had a surplus of nearly four millions and a half.

949. Of late years, to the best of your belief, New Zealand and Victoria have been on an equal footing as regards supplying New South Wales, as there was no duty on butter and cheese. Supposing we did not go in for federation, and supposing there is a duty imposed which would fall on butter and cheese, would not Victoria in that case command a market in New South Wales as against us?—It is quite possible, we being so much nearer.

950. Is there any malting carried on in any part of the State?—I believe there is, but I could not give you much information. I am not sure what the quantity is.

951. Malt could be made here satisfactorily of good quality?—I have not heard any complaint against it.

952. New Zealand exported to New South Wales last year forty thousand pounds' worth of malt. Supposing we remained outside the Federation, and came under the duty, while you did not come under it as part of the Federation, is it probable that you could supply the market entirely?—I see no reason why we could not, so long as it pays. No doubt we would be able to do it.

953. Is the maize grown in Victoria as good as the maize that is imported from Auckland?—I think it is. I think they produce maize here of excellent quality. I think the average last year was something over 64 or 65 bushels to the acre. I have seen a great many crops go over 100 bushels.

954. There is sufficient land suitable to enable you to produce all you could require?—Yes; we could do that in Gippsland alone.

955. As to hops: they are grown in Victoria?—They are, but they are diminishing in quantity. One of the principal causes is the fluctuating prices. Brewers seem to use a great many substitutes for hops.

956. It is because the demand has been somewhat intermittent?—That has been largely the reason. They have been troubled to some extent by the red spider.

957. There is no reason why you should not produce enough for your own requirements?—I think if the demand was steady they could supply it locally.

958. *Mr. Beauchamp.*] Did you say in your district you could produce 70 bushels to the acre?—Not often, but I have seen several such crops.

959. That would be an abnormal crop?—Yes.

960. What would be a normal crop?—50 bushels would be a good crop.

961. As to the extra quantity of land brought under cultivation for oats in the last year, was that in anticipation of the demand in South Africa being maintained?—I think so.

962. Not with the reason of supplying the other States?—No; and in China too.

963. You shipped large quantities of fodder of all descriptions to South Africa and China?—Yes.

964. You turn out a very excellent quality of oaten chaff?—Yes.

965. Is it not a fact that the cheese produced generally in Victoria is not of a good quality?—It varies very much. They have not reached the same perfection in cheese as in butter.

966. Have you any system for grading butter and cheese?—They grade for export.

967. Both butter and cheese?—Yes. I think they grade the cheese. We passed an Act providing for grading some years ago.

968. The mallee country is a great wheat country?—Yes.

969. Is it not affected by droughts?—Yes; that accounts for the light crops. If they had a fair rainfall they could produce fair average crops at very low prices.

970. As to the Customs tariff, do you think that will be fixed by the Federal Government at such a figure as to be able to return to the States the amount they at present have?—Yes; that seems to be the desire.

971. So as to obviate the necessity for fresh taxation?—Yes.

JOHN DANKS examined. (No. 226.)

972. *Hon. the Chairman.*] What are you?—I am an engineer and a brassfounder by trade, but a merchant by profession.

973. Is your business concern a large one?—It is the largest in the colonies of that class.

974. How many hands do you employ?—In the sale department perhaps forty to fifty. In the factory alone 219.

975. What are the principal articles manufactured by your firm?—Every description of brass-work used for engineering, water-supply, gasworks, and gas-fittings, with ironwork used for the same.

976. Do you export any part of your productions beyond the State of Victoria?—Yes; I have exported largely to Western Australia the last three or four years, and lately to Queensland. I have a large brass-foundry and lead-mill in New South Wales, the largest in that colony.

977. Do you export to New Zealand?—Yes.

978. To any large extent?—Only in sheet-lead and lead-piping.

979. Have you any branch in New Zealand?—I did have one in Christchurch—John and Thomas Danks—but I handed it over to my brother eight or ten years ago.

980. Is your brother's business in Christchurch in any way worked in connection with yours?—No, I handed it over to him.

981. Do you export to New Zealand independently of your brother's business?—Yes, but not much. It is chiefly sheet-lead from New South Wales and lead pipe, and lead for making bullets.

982. Are those reshipments or manufactured?—We make them both in Melbourne and Sydney for the ammunition-makers. The lead is procured from Broken Hill; it is all New South Wales lead.

983. What is the average wage paid to adult males in your business?—The average wage is 10s. We pay 11s. and 12s., and shop foremen perhaps 5s. more, and the ordinary hands about 8s. per day. There are no females employed in my business. The hours of labour are forty-eight for the week.

984. Have you any difficulty with those employed?—No; I have never had any difficulty in my life. I am on the best of terms with all my men. My managing-man has been with me for forty years. I have made him and others shareholders in the business and changed the firm into a company.

985. Is your business in any way under the Wages Board?—No; we have no Wages Board.

986. There is a Wages Board we are told?—We are not under the Factory Act at present. The Wages Board has not been created for the brassfounders. There is no Board connected with our trade. We expect it to be formed in the course of a few months. One is now being formed. We do not take apprentices. We teach the young men their trade, and if they require it we give them a certificate that they have served their time with us.

987. Have you any rule as to the number of boys employed to the number of men in your business?—No. There are ninety-one boys, who earn less than £1 per week. It is a trade that could employ boys in any quantity, because the manipulation of the work is of such a light class that boys must be employed to carry it out. We carry on die-sinking, stamping, and electroplating. The trade has to be carried on in many divisions to meet the requirements of the trade.

988. *Mr. Roberts.*] Can you produce lead here at a lower price than it can be imported?—We produce it in free-trade Sydney as against the imported lead. I have a lead-mill in Sydney and a lead-mill in Melbourne.

989. *Mr. Luke.*] This number of 219 hands does not include the men employed in Sydney?—No. I have not a note of the number of hands employed in Sydney. I should think, seventy to eighty.

990. Is that average of 10s. per day you have given me given to thoroughly experienced mechanics?—Yes.

991. To what class of men do you pay 8s. per day?—Ordinary mechanics—ordinary men who could carry out the one job.

992. You have no union to regulate the rate of wages?—No; we do not acknowledge any union.

993. Do the men ever complain about the proportion of boys to journeymen?—No; some people complain who know nothing about it.

994. The men themselves do not complain?—No. I should like you as a Commission to look through my establishment—and take it at any moment, or some set time, and look at it for yourselves. You will have an idea of where men can be employed and where boys can be employed. For the little things that require deft manipulation you must have boys.

995. To what class of men do you pay 11s. or 12s.?—Good mechanics.

996. Do you export a large quantity of brass fittings to New Zealand?—We expect to export them to every colony. We do not at present. There is no demand at present in New Zealand for them; your own industries supply your wants.

997. Do you think under federation, supposing New Zealand joined, that New Zealand manufacturers could compete for your own local requirements?—I think they would. I know Messrs. A. and T. Burt's establishment; they are not to be beaten. They carry on their work well. Theirs is the largest. I do not know the one at Auckland. Burt's can hold their own against any one.

998. Federation might not prejudice your business or help it?—I make special water-meters, which I supply to Western Australia, Queensland, New South Wales, and Victoria; it requires special appliances and special men.

999. As regards specialities, you think you may find a market in New Zealand?—Yes.

1000. Do you work forty-eight hours per week?—Yes.

1001. Do you pay overtime rates for overtime?—Yes; I think it is "time and a quarter" the first two hours, and "time and a half" after the first two hours.

1002. A good deal of your raw material, I understand, is manufactured in the colonies—that is to say, tin and copper?—We get tin from Tasmania and South Australia.

1003. The raw material largely in your business is produced in the colonies?—Yes. Our brass castings for the last twelve months for our own workshop alone—we do not work for any outside firm in iron or brass—have been 9 tons 6 cwt. per month.

1004. Do you manufacture engines?—I made a few. We do not touch that business. We supply engineers' sundries.

1005. *Mr. Leys.*] What becomes of the large number of boys you employ as they grow up?—We do not grow them fast enough.

1006. Do they find their way into other trades as they grow up?—I have some now working in the shop learning electric work. They learn the rudiments of brass finishing and fitting together to fit them to go into electro-shops. Sometimes they go to engineers. While I carry on as a brassfounder I do engineers' work, such as sluice-valves, and my men are so well brought up to the trade that other men take them away.

1007. Was not this Wages Board set up with the consent of the employés?—We told them we would co-operate with them.

1008. It is not against your wish?—No; we work amicably with our men.

1009. *Mr. Luke.*] Do the apprentices pay anything by way of premiums?—No.

1010. For what length of time do they serve?—They are only bound till they are twenty-one; but if they begin at seventeen or eighteen they have to make an arrangement afterwards.

1011. What is the average time?—Seven years; some, say, five.

1012. Do you indenture your boys?—No; we have no premium or indenture.

1013. *Hon. the Chairman.*] Is there any other matter you would like to speak on?—I believe federation would be a great boon to all the colonies. It would cause an interchange of things we do not have. I believe New Zealand would come more to the front with federation. In New Zealand you have not a pipe-founder yet. I do not see why you should not make pipes in your own place to supply yourselves. I have a pipe-foundry, and make all classes of pipe up to 6 in. usable for local water-pipes. I think New Zealand should take to that branch of the business.

Hon. FREDERICK THOMAS DERHAM examined. (No. 227.)

1014. *Hon. the Chairman.*] What are you, Mr. Derham?—I was Postmaster-General in Victoria from 1886 to 1890, in the Gillies-Deakin Government. I am now the president of the Victorian Chambers of Manufactures. It is a body of manufacturers associated together to protect their interests. There are from four hundred and fifty to five hundred members. I have only a general knowledge of the manufactures outside of my own business. My business is that of biscuit-manufacturer, flour-miller, and fruit- and vegetable-preserver. There are no imports to speak of in any of these lines. We export to other places.

1015. Are you acquainted with New Zealand at all?—I have never had the pleasure of being there.

1016. What are the wages paid in your business?—To men of the labouring type from £1 10s. upwards, and men of the better type £2 2s. 6d. to £2 5s. There is a large quantity of female-labour. Girls coming in at about fourteen years of age start at 7s. or 8s. and go up to £1. There are no apprentices. There is a large quantity of boy-labour. Boys commence about the same age as the girls at about 7s. and go up to £1 per week at about eighteen or nineteen years of age.

1017. Do you export to New Zealand at all?—Very little. Apart from my own business, there is not a great deal of exporting to New Zealand.

1018. *Mr. Leys.*] How many employes are there in your establishment?—In busy times about a thousand, including country branches. In the fruit districts we have four small creameries.

1019. Are you under the operation of the Wages Board?—We are. They have only just commenced so far as our work is concerned. In the year 1898 there was a great agitation in Melbourne against sweating, which existed at that time I am sorry to say. We as a chamber were very anxious to put it down. We called the manufacturers together outside of our own chamber to give evidence in answer to the charges made against manufacturers of sweating in their establishments. We could not come to any finality, because we had no parliamentary authority, and we could not get anything definite. We asked the Government of the day to appoint a Royal Commission to inquire. For some reason we never got the Royal Commission, but public opinion was aroused against sweating, and under cover of a movement to stop it Parliament introduced this Wages Board system, which, unfortunately, gave the Wages Board power to fix wages without limit. We were quite willing for legislation. We tried to think of something else which would put down this sweating, such as moral suasion, but that was too slow. We consented that they should legislate up to the point of requiring employers to pay a living-wage. A living-wage is a very difficult thing to define. The only definition I venture upon is to say it should be sufficient to provide food, clothing, shelter, and, if possible, something for a rainy day, and that all wages should bear some relation to the earnings of the tiller of the soil. That was disregarded, although I believe it was thought very well of by some experts. The outcry was very great against sweating; but I greatly fear that in attempting to do away with sweating by means of Wages Boards with unlimited powers they will do injury to the industries. It will discourage enterprise. Employers do not know what is coming next, and have been deterred from embarking on any fresh enterprise through this uncertainty. Directly you introduce this element of uncertainty you undermine confidence. Many men have told me that if they had their money out of their business they would clear out. The principle of control where there is responsibility is ignored by a good many people.

1020. Do you think the New Zealand system of fixing wages for a period of years is better than your Wages Board system of an unsettled character?—A fixed settled term would be better.

1021. It is usually two years in New Zealand. That is generally the period fixed by the Arbitration Board, although there is nothing in the statute fixing it for any period?—That would be better. You buy land, erect buildings, and put in machinery, and you do not know what your future is to be. In general the rates fixed are too high, but they have not been extravagant. There was a fear that with the influence of politics we might have the wages fixed absurdly high, but that has not been the case up till now. In some trades they are too high. In some trades the Act has practically broken down, because the rate has been fixed too high. Taking the bread-baking trade, the Board fixed the wages in that trade at 1s. per hour—forty-eight hours, £2 8s. Consequently, the men getting more than £2 8s. were brought down to £2 8s.—a large number of men were getting less than £2 8s.; the weedy ones do not get the wage, as an employer cannot afford to give it. It has led to a large amount of deceit. The Inspector goes into the baking-house and asks a man what wage he is getting: he says he is getting the minimum wage, whereas in reality he is not.

1022. Is the inspection rigid under the Factories Act?—It is not sufficiently rigid. The Government, from rather a penny-wise-pound-foolish policy, has not put on a sufficient number of Inspectors. We say if there is a law it should be obeyed. Honourable men do not evade the law, but dishonourable men do, and gain by it at the expense of honourable men.

1023. As a class, do you think the employers are favourable to this?—I think they would be quite willing to submit to legislation up to the living-wage.

1024. In what direction would you suggest the amendment of this system?—That the Wages Board should not have unlimited power to fix wages. The men have the idea that the employer can pay anything they choose to ask. In the pastry-cook trade the men asked for 1s. 6d. per hour. The employers offered 9d. It was settled at 10d. The men asked for an extravagant rate.

1025. In New Zealand there is an appeal to an Arbitration Court, which is presided over by a Judge of the Supreme Court, and the decision of that Court is final: would that meet the case in Victoria?—If they were limited in their powers with regard to the rates of wages. I do not think any Court should fix rates of wages beyond a certain point.

1026. Although the employers are willing to pay a minimum wage, you think it should only be fixed by unions, and not by State interference?—I have not quite come to that. I am afraid the unions could not do it. The men are not loyal to their own unions. I do not like legislation, but I am afraid we cannot help it. I think the arm of the law should be introduced, but should not stretch out too far.

1027. If the State steps in, how is it to proceed short of fixing some wage?—The policy should be laid down under the Act that the Board should not fix the wage above the living-wage standard. The wording of the Act is "lowest wage." There is a confusion between living-wage and minimum wage. My contention is that the Legislature should not interfere beyond the living-wage.

1028. If a definition of that kind were put in the Act, would not that lead to a good deal of litigation as to what constituted a living-wage?—If Parliament takes upon itself the power of stating what wages shall be paid it ought to define the term.

1029. *Mr. Luke.*] Are these Boards constituted of men of experience?—Employers on one side and employes on the other.

1030. Cannot they say what is the minimum wage?—A Chairman, not being an experienced man, settles the difference. He is never a man experienced in business affairs.

1031. What is a living-wage in one instance may be too high or too low in another?—Yes.

1032. How long are the periods fixed under which these settlements are arrived at?—I think it is six months.

1033. Is there nothing definitely fixed with regard to the Board sitting?—That has not arisen yet. I understand they can reopen the case within six months, but it is a matter entirely in the discretion of the Chairman.

1034. Do you not think it is a weakness that they are not able to fix a period?—Yes, I do.

1035. The different Boards comprise persons who have experience in the particular line of business or dispute that comes before them?—Yes.

1036. *Mr. Beauchamp.*] Most of the lines that you manufacture are subject to high protective duties in New Zealand.—Yes.

1037. With inter-State free-trade you could expand your business greatly?—I do not know. Your manufacturers would fight for the business. Our business with New Zealand is very small. People thought they could take our goods, but when they found what the duties were they discontinued taking them.

1038. Could you compete against our flour?—No. I have a lot of experience in the grain business. Your New Zealand wheat would come over here. There are qualities in it which we like: it gives colour to the flour.

1039. It is not as strong as the Australian flour?—No, it is not thought to be.

1040. I think Australian flour is more profitable to the baker?—Yes.

1041. Prior to a certain date large quantities of Australian flour were imported into New Zealand?—Yes; when gristing was allowed in bond we used to grind New Zealand wheat here.

1042. What is the present value of flour in Melbourne?—£6 per ton.

1043. That is much cheaper than New Zealand flour?—Yes.

1044. *Mr. Roberts.*] Is New Zealand wheat worth more than Australian wheat?—No. It was generally a little less, because in the old times we used to import largely. It is not quite so profitable to import.

1045. What do you describe as the "living-wage"?—I would say nothing under £1 10s. per week. Take our own employés: we have men who have been with us over thirty years, and they have earned £2 or £2 5s. per week, and have managed to secure property.

1046. What are your opinions on the deadlock that has happened in the woollen trades Board?—That is an outrage on the intentions of Parliament. Mr. Peacock, in 1895, said that the Board would be composed of two manufacturers and two employés. He did not say representatives of employés. He induced Parliament to pass that by saying that there would be two manufacturers and two employés. That seemed to be a fair thing—namely, that the masters should meet the men and try and come to terms.

1047. Sir George Turner told me to-day that it was no violation of the spirit of the Act?—In October, 1895, Mr. Peacock made a speech about it in Parliament.

1048. Do you think legislation will be sought to define the position?—It ought to be done. I understand that one man is the paid secretary of the union. It is his bread-and-butter to make mischief.

1049. *Hon. the Chairman.*] We understand that the quantity of New Zealand oats imported into Victoria in 1899 was £42,712 in value: can you tell me what proportion of those oats were reshipped?—I cannot tell you without looking up the returns. I should think you would do a trade here in oats if we had open markets.

1050. Do you consider that in that year any portion was reshipped?—There were large transshipments to South Africa in 1900. We did not commence to ship oats until after the opening of the war.

1051. *Hon. Major Steward.*] The value of the exports of the previous year from New Zealand to Victoria was only about £10,000, and it rose in the following year to £42,000: was that owing to a shortage of the crop of oats here?—No. We have had fair crops of oats here for some time.

1052. If there was not a shortage it would point to the probability of a large portion of that being re-exported?—Yes.

Mr. VAN DER VELDE examined. (No. 228.)

1053. *Hon. the Chairman.*] You understand that our Commission has reference more particularly, and indeed solely, to the question of New Zealand federating or not federating with Australia, and the question of federation with New Zealand and the employment of coloured labour has a bearing upon the subject. Our inquiry is only so far as the policy of a "white" Australia is concerned. If there is anything you can tell us in regard to those points we shall be very glad to hear it?—I am a civil engineer from the University of Ghent in Belgium. I have not followed that profession, but entered upon the beet-root industry in Europe. I was sent out here by large engineering firms to try to create a market for their manufactures in Queensland and Fiji. During my travels in those countries I came into contact with the coloured labourers, and have gained some experience of their work. Some years ago the question arose in Victoria as to the introduction of the beet-root industry. I published a pamphlet discouraging the erection of factories in Victoria. I said it would be a failure, and the principal cause of it would be the non-supply of sugar-beet. Unfortunately, my predictions have turned out correct. A large factory was put up at Maffra, which was a failure. Sir George Turner asked me to go to Maffra to report on the causes of failure. I studied the matter, and recommended that an expert should be sent to Maffra to see the conditions under which sugar-beet could be grown and to study a scheme for reconstructing the factory. In the meantime, the federation of the colonies took place, and it was

thought by many that when the trade-boundary between the States disappeared Queensland sugar would come in freely, and the beet-sugar grown here would disappear altogether, because it could not compete with the cane-sugar. As I am acquainted with the aspirations of Australia I have always said that the alien-labour question would be the very thing which would cause the introduction of the beet-sugar industry into this country. Fiji is, perhaps of all the tropical countries in the world, the one where cane-sugar can be produced cheapest, owing to its exceptional climate, the extraordinary richness of its soil, and the number of cheap and suitable labourers. The beet-sugar industry is going to be established here now, and it would be absurd to have Fiji as a partner in the Commonwealth or with New Zealand, as it would create great difficulty.

1054. Supposing Fiji federates with New Zealand and then New Zealand federates with Australia, what do you anticipate would be the result?—It would affect the beet-sugar industry, which is about to be established. We cannot compete against black labour. We can compete against cane, but white men cannot compete with black fellows.

1055. Are you against coloured labour being employed in the sugar-fields in Queensland?—I am of opinion that the black labourers in Queensland should be replaced by whites wherever possible in the semi-tropical part of Queensland, as far north as Bundaberg.

1056. Supposing the cane-sugar industry is to be persevered in, do you think it could be profitably worked by white labour?—As far north as Bundaberg. Beyond Bundaberg it is an impossibility: they must have the black labour there or the industry must perish.

1057. If that is so, what is to become of the northern portion of Queensland?—I do not know.

1058. Can it be successfully developed by white labour at all?—Not the cane-fields.

1059. Or any fields?—In the mines white men do the work, because the climate in the interior is different from what it is on the coast. The coastal districts can only be developed with the assistance of black labour. This black labour is most objectionable from a moral and humanitarian point of view. It is not because the white man cannot do the work of the blacks, but he will not do it.

1060. Can you tell the Commission of any advantages which would accrue to New Zealand by federation with Australia?—My specialty is the sugar industry, and New Zealand is the one State which I believe is most adapted for the cultivation of sugar-beet. I believe an immense industry could be created in New Zealand, on the scale of what it is on the Continent of Europe.

1061. Our mission is not to decide on the question of beet-sugar *versus* cane-sugar, but to inquire into the advantages for or against federation?—That is one of the arguments I would advance in favour of New Zealand growing beet-root sugar for the Commonwealth, because Australia will never produce enough for her own consumption.

1062. I thought you said this large industry was about to be established here?—I do not anticipate that sufficient sugar will ever be found for the population.

1063. *Hon. Captain Russell.*] Will you tell us what is the average cost of producing a ton of beet-sugar?—It depends on the question of labour.

1064. Under the most favourable conditions?—About £8.

1065. And cane-sugar under the most favourable circumstances?—A little less than that—say, £7. That is owing to the difference in the cost of employment of the lowest-paid white labour. The beet-sugar industry is far superior to that of the cane-sugar.

1066. Could the beet-sugar industry succeed without bounties?—No, for the same reason that we could not here without protection. The bounty is the difference in cost between black and white labour assuming it amounts to £1 15s. per ton on the quantity they export.

1067. Have you a knowledge of Fiji?—Yes.

1068. Would it be possible for the cultivation of any crop by European labour to be continued there?—I do not think so.

1069. If they cease to employ black labour the Island must go out of cultivation?—Yes.

1070. Would that same argument apply to the coastal districts of tropical Australia?—Yes.

1071. Do you think it possible that tropical Australia could be occupied permanently by a European race?—I believe they can occupy the whole continent with the exception of the coastal districts.

1072. None of the tropical products can be grown by European labour?—They can be, but the white man will not work there. The white man is superior to the black man, and he could work better, but you cannot get him to do it.

1073. You think the European could work in the tropics under the disadvantageous circumstances attending life on the coast?—Yes.

1074. Can you give any illustration from history where such has been the case?—In no country in the world is the cane-sugar industry carried on by white labour in the tropics. But in countries which have a climate like Bundaberg—in the semi-tropical parts of South America—it is.

1075. South Carolina and Georgia are outside the tropics?—They are semi-tropical, like Bundaberg. In these southern States the industry is carried on by white labour, while formerly it was carried on by blacks. Since the abolition of slavery there are about sixty thousand Sicilians employed there.

1076. We may take it that it is impossible to create a sugar-cane industry by other than coloured labour?—In the tropics.

1077. *Mr. Roberts.*] How many tons of beet are required to a ton of sugar under ordinary circumstances?—About 10 tons. That is what they get in Germany.

1078. What do you consider is an average crop per acre?—13 tons.

1079. It takes about 10 tons to make a ton of sugar?—Yes; 13 tons is the average in Europe.

1080. *Mr. Beauchamp.*] Would the exclusion of cane-sugar and the adoption of beet make the price higher?—No. What regulates the price of sugar is the London market. The duty in Victoria

is £6 per ton at the present time. Once the industry is established that would be quite sufficient to keep it going and to protect it against the black-labour sugar of Java.

1081. Supposing there was absolute free-trade in sugar between Fiji and the various ports of the Commonwealth, could sugar produced by Fiji be sold at cheaper prices than the beet-sugar produced in any part of the world?—Yes.

1082. The consumer would benefit by getting cheaper sugar?—Yes; but he would have to pay more for meat. Meat has risen to a price we have never known before. If Victoria made sugar from beet-root she would produce all the sugar required, and she would also fatten a hundred thousand head of cattle, and the price of meat would not be where it is now. The beet-root industry is a meat-producing industry.

1083. Do you think they would derive a greater benefit through having cheaper meat?—Yes; it gives employment to thousands of people.

1084. *Mr. Reid.*] Is it not a fact that the sugar industry in the West Indies was destroyed by the bounty-fed sugars of Europe?—Yes; cane-sugar cannot compete with beet-sugar on level terms. The cane-sugar industry all over the world has suffered by the payment of the bounties, and the bounties at the present rate are equal to the difference in the price of wages of black and white labour. The cane industry cannot live where the beet industry can live.

1085. Are you acquainted with Samoa? Is that adapted to beet industry?—If you could get the labour, but the natives will not work. We would have nothing to do here with Samoa, as it is a German country.

1086. You have the trouble in Queensland with black labour?—That is only temporary, since Queensland herself sends delegates to the Houses of Parliament from districts in which the great majority of people are opposed to the employment of black labour. The members of Parliament mean business, and the black labour must go.

1087. *Mr. Leys.*] What is the average rate of wages paid to the agricultural labourer in Belgium?—That is a difficult question to answer. When I was a manager there we paid something like 2s. or 3s. a day to the men working in the factories.

1088. Notwithstanding those low wages, it takes £1 15s. per ton bounty in Belgium to sustain the beet-sugar industry?—In Java the labourers receive only 3d. per day.

1089. If in Belgium, with wages at 3s. per day, the beet-sugar industry requires a bounty of £1 15s. per ton, how can we hope with our high wages to cultivate successfully?—If we have a duty of not less than £6 per ton protecting us against the sugar of Java, and the sugar of Europe, we can do it.

1090. You had that duty of £6 per ton while the beet-sugar factory was in operation here, still the factory had to close down?—Because there was no beet.

1091. If it had paid to cultivate beet, would it not have paid the farmers to supply the factory?—The farmers knew nothing about beet-cultivation. They simply scratched the soil and put in the seed, and let the whole thing go. They made 6,000 tons, instead of 40,000, as they ought to have done.

1092. They did not continue that cultivation?—No, because they found it did not pay. The difficulty is that in Australia the methods of agriculture are what we call extensive cultivation of large areas, while beet-sugar requires intensive cultivation—that is to say, the careful cultivation of small areas. It does not require more work on the part of the farmer.

1093. What price did the factory give for beet while in operation?—According to the quantity of sugar. Some farmers got as much as £1 1s. per ton when they harvested their beet in time. They had very little experience of the climate. When the autumn rains set in in March heavy rain fell on the beet, which was ripe and heavy in sugar. The beet worth £1 1s. was a fortnight later worth only 8s.

1094. A good sample of beet delivered at the factory was worth—how much?—18s. per ton, if harvested in time.

1095. Do you know what it would cost to cultivate that ton of beet, on the average?—It would cost the price of the seed and the rent of the land; all the rest must be done by the farmer.

1096. What crop would you get?—An experienced farmer, on an average, can get 13 tons every year in Europe; but here the average is greater. In Europe the sky is sometimes covered with clouds for a long period. Here the sun always shines, and that is the great producer.

1097. Is meat cheap in beet-producing countries?—If you produce meat on grass, it costs the rent of the land. If you feed your cattle on the pulp which is the product of the beet, it is cheaper than feeding cattle on grass.

1098. Is meat cheap in beet-producing countries?—No, because there is such a tremendous population to be supplied. In the space of ten years in Germany the number of cattle has increased by two million.

1099. In both Belgium and Germany meat is very high in price?—Yes.

1100. Notwithstanding this beet?—Yes; if it were not for the beet-factories people could not eat meat.

1101. *Hon. Major Steward.*] You recommend that New Zealand should produce her own sugar by practically excluding cane-sugar by duties?—Certainly.

1102. You think we ought to go into the production of beet with the view of keeping out cane-sugar?—Yes.

1103. A duty of ½d. in the pound would meet the case?—Yes.

1104. Supposing Fiji did not federate, we would still have the competition with Queensland for some time?—Yes; but I would advocate the imposition of a black-labour tax.

1105. It would increase the cost of the production of cane-sugar?—Yes, and equalise the production of beet-sugar.

ADELAIDE.

TUESDAY, 9TH APRIL, 1901.

Hon. FREDERICK WILLIAM HOLDER, M.L.A., Premier of South Australia, examined. (No. 229.)

1. *Hon. the Chairman.*] You are the present Premier of the State of South Australia?—Yes.
2. And a member of the Federal House of Representatives?—I was recently elected a member of that House.
3. And you were a member of the Federal Convention?—Yes. I was elected in 1897 to the Convention which sat that year in Adelaide and Sydney, and the next year in Melbourne.
4. I believe you took an active part in the federation question?—Yes.
5. Had you anything to do with the drafting of the Constitution?—I was a member of the Finance Committee which sat in the three capitals mentioned, and I also took a share in the discussing and framing of the other parts of the Constitution in common with the other members of the Convention.
6. I presume you approve of the present Constitution as it now exists?—Yes.
7. I believe you are also the Minister of Labour in the State Parliament?—I am Minister of Industry.
8. Have you considered how the financial provisions of the Commonwealth Bill will affect the smaller States under federation?—That question had necessarily to be considered in framing the Constitution.
9. Perhaps I might ask you to be kind enough to give us your views upon that point: as to how you think the States will be affected, advantageously or disadvantageously?—The only way in which the finances of the colonies will be immediately affected is by the Federal authority assuming the whole power to levy excise and Customs duties. For a period of years a book-keeping system is to be maintained between the various States and the Federal Government, and under that the receipts and expenditure within each State must be kept separate from the receipts and expenditure of the other States, and the whole of the balance not absorbed by the expenditure of the Federal Government on outlays in connection with the transferred departments is to be returned to the State within which it was raised, so that, provided the Federal authority raises about the same amount in Customs duties as has been raised in the past, the finances of the States will not be interfered with either for better or for worse.
10. What about the expenses of the Federal Government?—The policy all along proposed has been that the Customs and excise collections should be increased by such an amount as would make up £400,000 in the total to meet this extra expense.
11. But do you think that £400,000 would be sufficient to meet the financial requirements of the Federal Government?—I have no doubt of it.
13. You are aware that under the Commonwealth Act the return of the 75 per cent. of the Customs duties of the States is limited for ten years, unless the Federal Parliament authorises?—Yes.
14. Do you anticipate that the Federal Government will continue to return the 75 per cent. or more to the States?—I think they will from the first return very much more than 75 per cent., and probably for the future also.
15. Seeing that the States have to give up to the Federal Government the power of levying duties of Customs and excise, do you think it would be possible for them to raise loans for the carrying-on of public works?—I know of no reason why they should not be able to do so.
16. What security would they have to offer?—In the first place, a very large security in the shape of public estate. We have powers of taxation quite apart from Customs and excise. The Customs and excise of these provinces form but a small proportion of their total revenue.
17. What is the percentage?—Less than 25 per cent. in this colony.
18. What is the amount raised by Customs and excise in South Australia?—I think the figures last year were £614,000.
19. What do you anticipate will be the annual loss, if any, say, to the State of Australia by reason of its contribution to the Federal Government?—I imagine that our share in the Federal expense will be about £40,000 a year, or a little less; but I do not anticipate that there will be any loss to the State, owing to the assumption of those powers by the Federal Government. I cannot conceive that the Federal Government will so arrange its finance as to dislocate that of any State; but it seems to me that the financial success, and the stability of the States, will be as dear to the Federal authority as will be the financial stability of the Federal Government itself.
20. What was your total revenue last year from direct and indirect taxation?—Roughly, about £800,000.
21. Will there be any difficulty in your meeting that £40,000 you refer to?—I do not think we shall have to meet it. The Federal Government are proposing to levy Customs and excise duties on a sufficiently large scale to provide not only all the revenue they want and all the Customs and excise we have been raising in the past in the separate States, but also this £400,000.
22. Of course, it is impossible to say what the Federal tariff will be, but I understand that in South Australia you have a highly protective tariff?—No, not high, but a moderately protective tariff.
23. What is the average rate of the *ad valorem* duties?—About 17 per cent.
24. Do you anticipate that the Federal tariff will be higher or lower than that?—A lower tariff on such goods as will produce a higher revenue.
25. Do you think it will be lower?—I only judge from the utterances of Ministers, and I take it they will provide a tariff that will produce from eight millions and a half to nine millions sterling. The Customs and excise duties raised in the six States last year was £7,600,000, but the Federal authority proposes to raise considerably more.

26. There is a provision in the Commonwealth Bill authorising the Federal Government to grant financial assistance to the States: what was the reason for that provision?—Some rather timorous folk feared that the result of federation might lead to considerable financial trouble in some States, and that clause was inserted to quieten them. Personally, I attach not the slightest importance to it.

27. But in what way do you consider the Federal Government may grant that assistance?—I take it that if the accounts of any of the federated States are so arranged as to dislocate the finances of either the States, then the Federal authority will grant some assistance to that particular State, but I cannot conceive of the thing coming about.

28. Would the assistance be by way of gratuity or by way of loan?—That would depend on the determination of the Federal Parliament when the assistance was given.

29. Do you think that in time to come the States will be absorbed by the Federal Government?—I hope we shall continue to have that measure of home rule which is left to us under the Commonwealth Act—that is to say, home rule in all questions of a local character, leaving national matters to the Federal Government.

30. As to the "white" Australia question, what are your views on that?—I am strongly in favour of keeping out alien races.

31. Do you think it can be successfully done?—So far as this State is concerned, I am not afraid of it.

32. And you go how far north?—To the northern coast.

33. *Hon. Captain Russell.*] Have you a large population on the north coast?—A very small population.

34. What are they employed in?—Chiefly pastoral pursuits and mining. In neither of those industries do they require coloured labour.

35. What is the Northern Territory specially suited for?—I think for just those two industries—pastoral, including the raising of horses and cattle, and so on, and mining for copper, gold, and other minerals.

36. Sugar?—I think not.

37. You do not anticipate that there will be any other tropical industries carried on there, only those you have mentioned?—Not to any very large extent.

38. Take the question of Queensland: what is to become of the sugar industry there without coloured labour?—I visited Northern Queensland some few years ago, and I then looked into this matter, and the conclusion I came to was that gradually the large plantations were being broken up into small blocks. In view of that fact, and the fact that in such cases the members of the family will be working those small blocks, the labour difficulty will be gradually overcome, and render the employment of kanakas unnecessary.

39. Do you know of any district where white labour has existed and has reproduced its species for several generations in the tropics?—No, I do not. But at the same time I also know that whereas the output of sugar in Queensland has doubled during the last six years the number of coloured labourers employed has not increased, but that white labour is performing the task.

40. But was that white labour Queensland-born, or has it been imported white labour?—I think Queensland-born for the most part.

41. Then, you are not afraid that in the course of several generations the Anglo-Saxon race in tropical countries will deteriorate?—I should not fear the deterioration of the race, but if they were brought into close contact with a large coloured population my opinion would be otherwise.

42. But do you believe it is possible that the white man can labour continuously from generation to generation in the tropical zone?—My visit was paid to that portion of Queensland not extending north of Mackay. I therefore speak of that portion of the State from Mackay downwards, and in regard to that territory I do express those opinions I have already set forth.

43. But you cannot give me an illustration where it is done in any part of the world?—I cannot.

44. Would it not be in accordance with every analogy to say that there are difficulties in the way?—There may be, but from that point of view the presence of an alien race is a far greater danger than the risk of the white race deteriorating.

45. Therefore, when we have wakened up Japan and stirred up China, do you imagine that those people will be quiescent and allow us to have our own way right up to the extreme north without themselves making an effort to spread out?—As to that, I am not prepared to forecast what the future may be. As to Japan, I do know that the Japanese Government are discouraging the immigration of Japanese to Australia.

46. But if a Jap. can earn 10s. a day in Northern Queensland, is he going to rest content with 10 yen a day in Japan?—It may be desirable even to make more stringent laws in regard to excluding these alien races.

47. Which, then, do you think will gain the day—the law of Mr. Barton or the law of destiny?—I think in this case Mr. Barton is going in the direction of the law of destiny.

48. *Mr. Millar.*] What portion of your revenue comes now from the duties levied on inter-State goods?—That is not easily ascertained, because goods come to us the origin of which we cannot positively state. Sometimes goods are manufactured or partly manufactured in one State, while the raw material is obtained from another.

49. What amount do you estimate you derive from that source?—Probably £100,000.

50. Of course, that all goes, under free-trade?—It goes from the duties levied on goods which come in from the other States.

51. What do you anticipate will be your tariff as against the outside world as compared with the tariff already existing in Australia?—Should they raise the amount the Government propose—viz., £8,500,000 or £9,000,000—they will increase the revenue which this State derives from that source.

52. May I take it that this loss of revenue which you anticipate from the Customs—because it must be generally admitted that the tariff will be lower than the present one—will have to be made up by the amount which New South Wales contributes?—I do not imagine that at all.

53. Do you anticipate that the duties levied on various goods will exceed by £100,000 that which you are at present raising?—Yes.

54. Owing to the increased consumption?—No; owing to the extra tariff placed on all goods on which there are no duties now.

55. Do you anticipate that the incidence of taxation will be very much altered?—It must be very considerably altered.

56. Do you anticipate that the excise duties will be increased on such products as wines and spirits?—No. I imagine that some of the duties on intoxicants and narcotics will be raised; and if the same amount is raised in future from them, and if £500,000 is raised from an excise duty on sugar, the rest of the duties, amounting to £3,500,000, can be raised by a 15-per-cent. tariff, and in each case this is lower than our present duty.

57. Then, is there an excise duty on sugar now?—No; but Customs duty is paid in all the States excepting Queensland.

58. Then, the proposed excise on sugar, if that excise is fixed at $\frac{1}{2}$ d. per pound, will still equal the amount, to the consumer, of the duty levied now?—If it were so.

59. Then, there is no saving to the people of the colony by this proposed alteration of $\frac{1}{2}$ d. per pound import duty to $\frac{1}{4}$ d. per pound export duty?—But the £500,000 derived from excise on sugar would mean a very much lower duty than that.

60. New Zealand gets £168,000 from her sugar duty of $\frac{1}{2}$ d. per pound now, and we anticipate that we shall lose that duty entirely in the event of our federating. But under the Commonwealth is not the excise to be credited to the State in which the goods are consumed?—Yes.

61. Is that likely to remain a permanent provision?—Until Parliament otherwise approves—for five years after the new tariff comes in, and after that till Parliament provides differently.

62. I think you anticipate that the whole expense of the Federal Government will be £400,000, but if you include the expenditure on the Defence Department it will come to £500,000 more, will it not?—I do not accept those figures; but, without accepting or refusing them, I think, with regard to the defence expenditure, that if that expenditure is necessary under federation it is still more necessary without federation, and therefore it cannot be said to be a part of the cost of the Federal Government.

63. But, if the £500,000 is expended, that amount will have to be drawn in proportion from the different States, according to the amount they contribute?—Yes.

64. Do the expenses you have mentioned include the expenses of the Volunteer movement?—Certainly. The expenses, no doubt, include the Volunteer movement, the laying-down of mines, the erection of forts, &c.

65. Our total expenditure in New Zealand provides for £250,000 for defence alone?—When I said that £400,000 was the cost of the Federal Government I meant that that was the cost over and above the cost that we were previously meeting.

66. New expenditure?—Yes. The cost of the whole of the departments taken over was £1,250,000.

67. Does your Postal Department leave a debit each year?—No. We have a profit in this colony on that department of about £20,000 a year.

68. Is that after including the interest on the capital cost?—No doubt that has not been so carefully shown in the estimates as it might have been, but if the whole of the interest-charges were brought into the account the profit to a large extent would disappear.

69. According to Mr. Coghlan there is a deficiency for the five colonies in postal revenue of £320,000?—That shows how difficult it is for any one to make an estimate of the amount the Federal Government require. In this State the Government departments pay postage on their postal matter, and also on their telegraphic matter, but in some of the other States the other departments are allowed to frank, and therefore the Postal Department is not credited with the amount it really earns. If the other Postal Departments were managed as ours is, and the earnings of the department shown by debiting the other departments with the work it does for them, the Postal Department of the whole Commonwealth would show a profit.

70. In the event of the Commonwealth going in for the penny-postage, would not that add to their deficiency?—Yes; but they are not likely to go in for that unless it can be clearly shown that they can afford it.

71. In regard to labour conditions, I think your legislation is pretty well on a par with that of ours with the exception of the Arbitration and Conciliation Act, is it not?—We have kept as near as possible up to your lines.

72. So that there is not much difference in the hours of labour and the wages paid in New Zealand to what they are in South Australia?—Not very much, and we have a Conciliation Act which is very similar to your own, Mr. Kingston being the author of the scheme, and yours being based on his.

73. So that, in the event of our federating, South Australia and New Zealand would meet on equal terms so far as the conditions of labour are concerned: there would not be very much advantage on the one side or the other?—I think not.

74. *Mr. Beauchamp.*] Do you anticipate any disarrangement of your Customs revenue by the importation into this State of a considerable quantity of beers and tobaccos on which the excise duty has been paid, say, in Victoria or New South Wales?—Under the Commonwealth Act the Customs and excise duties are to be credited to the State where the consumption takes place.

75. But will it not mean a considerable difference in the revenue from the excise and duties you are now levying against the outside world?—That depends on what the tariff will be.

76. What is your duty on tobacco?—We have a very wide margin of duty on manufactured and unmanufactured tobacco, and we have no excise duty. On manufactured tobacco I do not remember what it is.

77. On what basis would the 75 per cent. of the Customs revenue be returned to the various States?—A debit and credit account is kept for each State, and the return is in accordance with the demands of that account.

78. Do you apprehend that the powers of the Commonwealth Government will be increased as time goes on, and the powers of the State Government proportionately reduced?—I think the tendency will be for the Federal authority to grow stronger and for the State authority to grow weaker, but it must be resisted.

79. As to the South Sea Islands, in some quarters we have heard that some friction is likely to arise in the event of New Zealand acquiring possession of certain of those islands: do you think there is any likelihood of that if New Zealand does not federate?—Naturally, as we have expected New Zealand to look favourably on our efforts to federate here, so we shall look favourably on any effort made by New Zealand to get into closer union with the islands of the Pacific.

80. Can you tell us from your own standpoint any benefits that we are likely to derive from federation?—It is difficult for me, without viewing it from the New Zealand standpoint, to express an opinion as to what is best for you to do.

81. Taking our own country, is not the question of federation prejudiced by the fact of our distance from the continent?—I have always felt that there was considerable force in Sir John Hall's remark at the Convention of 1891, that twelve hundred miles of separation by sea were twelve hundred reasons against your joining any Australian union.

82. *Mr. Luke.*] You mentioned just now that the increase in the sugar-production was being marked by decreased employment of black labour: might not that be rather due to the increased use of improved machinery than to the fact that it shows that the industry can be carried on without black labour?—The fact that the output has been doubled while the number of coloured labourers employed has been stationary seems to me convincing that the one can grow without the other.

83. Does it not prove that there is a larger amount of white labour being employed in the industry?—When in Queensland I put several questions to a farmer in reference to the sugar industry. He told me they were gradually breaking up the plantations into smaller holdings, and that he himself and his family were upon a small block which once formed part of a large plantation. He employed on this block his sons and two kanakas. I asked him why he employed the kanakas, and if he and his sons could not do the work the kanakas did. He said, "No; my sons work with the kanakas and do everything they do." I asked him if the kanakas were cheaper, and he said they were not, taking into account the fact that three kanakas did the work of two white men only; but the reason he employed them was that if white men were employed to do the work and a gold rush took place at the moment when the crop was ready for cutting, or any dispute arose, the white man would leave you without notice, and your crop would be worthless; whereas with kanakas employed all the year round there was no fear of being left in a fix.

84. Then, it is not entirely due to climatic conditions that black labour is employed in the industry?—Not the whole of the time. There is one portion of the work called "trashing," which consists of stripping the leaves off the cane when it is nearly grown, and in connection with that work I was told that of late years it has been found that the cane does pretty well without trashing. They are dispensing with trashing, and in doing so they are dispensing with the work which almost alone requires the employment of coloured labour.

85. Have you a Contractors' Lien Act in this colony?—We have a Workmen's Lien Act.

86. Have you a large free-list under your Customs duties?—Yes.

87. Do you think that under the new tariff the duties will be gathered from over a larger area than in the past, and that the amount of duty on a few articles will be increased or decreased?—Our free-list will be increased by the addition to it of all goods of inter-State origin, and Customs duties will be levied on some articles that are now free.

88. Do you think that we will be at a disadvantage under federation on account of our distance from the continent?—Particularly in the matter of defence.

89. Do you think that under federation there would not be a more cumbersome administration of such departments as Post, Telegraph, and Railways?—I think there will be less advantage from a centralisation of departmental work in the case of a colony like New Zealand than there would be in the case of States which are adjoining.

90. Supposing we did enter the Federation, would it be reasonable to suppose that a larger measure of local self-government would remain to us in New Zealand because of our distance?—I can conceive that if New Zealand came into the Federation she could be governed as the other States would be who were under the Federal authority.

91. Do you think she would want larger powers of local government as regards post and telegraph matters?—I do not know that larger powers would be required—under the Constitution they might be given to any administrator, and if you went into it there ought to be greater local freedom.

92. *Mr. Leys.*] Do you anticipate that the Commonwealth will take over the railways at an early date?—I think so. In five years' time the Commonwealth will, I hope, have taken over the railway system of the whole continent.

93. In that case the future construction would be done by the Commonwealth?—Yes.

94. And the borrowing?—For railway purposes that also would be done through the Commonwealth.

95. Cannot you conceive that New Zealand would be at a great disadvantage under such a system as that?—Of course, there is no derogation of the powers of the States to borrow for their own railways.

96. But, in the event of the Commonwealth undertaking such a railway as the trans-continental railway, would there not be a considerable loss on that line for some years in which New Zealand would have to share?—In the case of the construction of such a line I think it would be perfectly fair to arrange that New Zealand should not have to bear any portion of the loss.

97. Do you think that will be the feeling in the Federal Parliament?—I think the feeling would be to do what was fair, and it would be very unfair to saddle New Zealand with any portion of the cost of such a line.

98. With regard to the future borrowing of the States, I suppose you assume the Commonwealth would take over the national debt as well as the railways?—We purposely left that matter open in the Constitution. Some suggested that the Commonwealth should from the beginning take over the debts of the colonies, and that the colonies ought to give the Commonwealth security in exchange for the security now given to the bondholders, but I prevailed upon the Convention so to frame the Constitution that the Commonwealth might take over the debts, leaving the matter in abeyance for the present so that the bondholders might make some return to Australia for the larger security which would be offered to them.

99. Do you anticipate that the railways might be taken over before the public debts are consolidated?—I think most probably when the railways are taken over at least that portion of the debts they represent will be taken over at the same time, on terms securing the utmost advantage to the State as well as to the present bondholders. An accountant could settle the matter in a very short time.

100. Do you think the bondholders would be willing to surrender their highly paid bonds at once?—They would not, unless they get a *quid pro quo*, which the Federation would have to give them in the shape of a better security. Take one State whose 3-per-cents are worth about 90: well, the holders of that stock are not likely to be content to hold that stock at 90 if Federal stock were offered them worth par, or perhaps 101. They certainly would jump at it at once if the gain were apportioned between the bondholders and the State.

102. With regard to the possible loss through the surrendering of the Customs and excise duties, I understand that your Customs-duties yield in South Australia has been very low?—About the average for the whole Commonwealth, or a little below.

103. Mr. Coghlan says your imports and excise duties only amount to £1 13s. 3d. per head, whereas in New Zealand they amount to £2 18s. 1d. per head; in Tasmania the average is £2 9s. 10d., and as a consequence the Tasmanian people are in great difficulty at present?—A tariff of £9,000,000 will mean a Customs yield of £2 6s. or £2 7s. per head for the Commonwealth, and I do not see where Tasmania is going to come to grief with a tariff like that.

104. Looking at those figures, does it not suggest itself to you that we may anticipate a considerable loss when these duties are handed over to the Commonwealth?—A loss to the States of Australia, which would mean a profit to the people in the shape of lower taxation.

105. Supposing we came out of it with a balance against us, or on equal terms, how are we to raise the money for railways and for other State functions?—I should think you would borrow on your land revenue.

106. Do you think that our future State borrowing will have to be done on the security of direct taxation?—No; on the security of the general prosperity of the colony. The bondholders do not look at the Customs revenue, but at the general state of the colony and its preparedness to meet its own engagements.

107. Assuming that we undertake our public works, as we do, out of borrowed money and they are not reproductive, how is the interest to be provided on the loan?—I should imagine that in every such case you would provide some source of revenue out of which to pay the interest.

108. And that source must be?—Something other than Customs.

109. Do you think it probable that the Federal Government will take over the tropical portions of Australia and administer them?—The whole, including the tropical portion, is now under the Federal authority, and I have every reason to expect that the Northern Territory of this colony, and possibly the northern portion of Western Australia also, will be taken over as part of the Federal territory, as it can be so much better worked by the Federal Government than by a Government so far distant from the north coast as ours is.

110. In the first instance, would not the development of any northern Federal territory result in a considerable loss to the Government?—It is conceivable that there might be some in the shape of money invested with a view to getting larger returns in the future. But it is also conceivable that it will bring in a revenue in time to come.

111. Do you find the administration of your Northern Territory a source of profit?—In the case of our Northern Territory we have built a railway-line from Pine Creek to Port Darwin 150 miles long. The central portion of that line pays its way with the exception of the interest on the railway loan, which, I think, is paid for by the Northern Territory; but the whole line has been a loss to us of some £70,000 to £80,000 a year, reckoning the interest on the cost of construction of the line.

112. Is it not reasonable to suppose that similar loss might arise to the Federal Government in administering these tropical territories?—It depends on the nature of the work done and the administration.

113. Would not that loss have to be provided for out of the Federal Customs revenue, to which New Zealand would have to contribute?—That would depend entirely on the terms New Zealand came in on. It would be quite possible for New Zealand to come in on such terms as would protect her from any such loss.

114. But would not the loans be raised on the security of the whole Commonwealth, including New Zealand?—Yes.

115. Assuming that New Zealand does not come in, what is the chance of a reciprocal treaty being obtained between her and the Commonwealth?—It is very difficult to forecast the policy

respecting such a matter as that, but I should be inclined, if I had to prophesy, to say that Australia would be unwilling to enter into a reciprocal treaty with New Zealand alone. But if New Zealand formed part of a Pacific Commonwealth that might tend in the future to make it worth while for the two Federations to enter into a reciprocal arrangement.

116. You have given a good deal of attention to reciprocal treaties, have you not?—Some years since we made an endeavour to arrange a reciprocal treaty between this colony and yourselves.

117. What was the cause of the failure of that?—I think the Parliaments of the two colonies were a little bit shy, and nothing was done.

118. Has there been any attempt to obtain reciprocal treaties between South Australia and other colonies?—I tried in 1890 to arrange a reciprocal treaty between this colony and Queensland, but without success. Our experience has been that reciprocal treaties are most difficult to arrange, and, if arranged, most difficult to maintain, and they form the strongest advocacy in favour of federation, under which we have the reciprocity without the uncertainty.

119. I suppose, from your previous answers, that you do recognise that there is a community of interest between the Australian States that does not exist between the Australian Continent and New Zealand?—Yes, a community of interest; but I say, at the same time, that a community of interest, sentiment, and sympathy exists between us and New Zealand as keenly as between either of the proposed federating States.

120. Is it not possible, if New Zealand came in, that she might be rather a disturbing element than a source of strength to the Commonwealth?—From our point of view we should be very glad to see New Zealand become a State of an important Commonwealth; but if I could put myself in a position of responsibility in New Zealand possibly I should hesitate a good deal before I joined the Commonwealth.

121. Is your Conciliation Act on the basis of our Act, or is it on the basis of the Victorian Wages Act?—Mr. Kingston drew up the Conciliation Bill, which was, I think, largely copied by the New Zealand Parliament shortly before it was finally passed here. The two are very similar in essence.

122. Has it been put into operation?—There have been a few minor decisions, but in no great difficulty, so far, has it been brought into play.

123. If the two Acts are similar, how is it that whilst there are cases being continually brought under the New Zealand Act all over the colony there has not been a similar resort to your Act?—I am not quite sure, unless it is the different conditions prevailing in the two countries. We have been suffering from a very serious depression the last five or six years, and in such circumstances serious strikes are much less likely than they are when a country is very prosperous.

124. *Hon. Major Steward.*] What is the average yield of wheat per acre in South Australia under normal conditions?—It fluctuates very much; it has been down to 3 bushels per acre, but this year probably it is about 7 or 8 bushels.

125. What is the cost of harvesting and cultivation?—A large farmer in one of our drier districts told me that he estimated the cost of putting in and taking off the crop, including seed, machinery, and all labour, at 10s. an acre.

126. Then, the evidence we got the other day that it could be done for 16s. can be relied on?—Where the soil is light, and the conditions in cultivation are as they are in some of our northern districts, and an abundance of pastoral land is available for the farm stock, it can be done for 10s.

127. What is the value of that wheat-growing land we are speaking of that produces an average crop?—The average crop of that farmer I spoke of during a series of years was 4 bushels, and he realised for it on his farm 3s. per bushel. Prices have been lower since, and he then received 2s. an acre profit for each acre in crop.

128. Does that allow for interest on the cost of the land?—His land was held from the Government at a nominal rental. We have a large area of Crown lands in this colony that are let for town grazing and agriculture, and are disposed of at $\frac{1}{2}$ d. to 3d. and 4d. an acre.

129. Do you grow maize to any extent here?—Very little indeed—almost none.

130. Do you grow more wheat than you require for your own consumption?—Yes, very much more; and we export largely.

131. Under federation do you expect to increase your market for wheat?—Federation cannot help our wheat-growing.

132. Supposing the New Zealand public decided that it would be inexpedient for them to come into this Federation, do you think, as a public man, that our special circumstances would be recognised by your public men, so that we would be admitted on terms of equality as an original State?—You would be in the strong position that if you did not like the terms offered you would not come in.

133. Do you think there would be a friendly spirit, and that desire to meet the difficulties of the case?—I am sure there would.

134. Are you likely to get penny-postage in this State?—Had we remained as we were some years since we should have, I think, obtained it, but now it must wait until better times come on.

135. Do you think the Federal Parliament will establish a system of penny-postage?—I think the disposition of members of Parliament will be only to vote for it if they see it can be afforded.

136. *Mr. Roberts.*] Does your Department of Industry issue a regular report setting forth the state of the industries in the colony?—We have a monthly circular similar to the one you have in New Zealand, and I will send you a copy of it.

137. *Hon. the Chairman.*] Is fruit-growing in South Australia increasing?—Yes, steadily. We have a large export of apples and other fruits, and we are trying the dried system and a new method of packing.

138. Is there any hope of your exporting butter to England?—Yes; we export to India and England.

139. South Australia, I take it, can not only supply her own fruit requirements, but also export a very large quantity?—I know of no fruit we need import excepting bananas and pine-apples.

140. Do you know whether good grapes could be successfully exported to New Zealand if there were no restrictions?—I have no doubt they would be.

141. Would they carry?—Yes.

142. What is the price of fruit here?—In the shops 1d. per pound, and you can also get grapes for £3 a ton for wine-making.

143. How about dairy produce: do you export it?—Yes; we export a good deal of butter, but nothing much in cheese. We are importing a good deal of cheese, hams, and bacon.

144. Supposing there were intercolonial free-trade, is there any chance of a market here for New Zealand farm produce?—You would probably send us, as you have been sending us of late, some hams, bacon, butter, cheese, oatmeal, and oats, notwithstanding the duties.

145. Did you include Northern Queensland in northern Australia when you said it would be taken over by the Federal Government?—Northern Queensland would remain attached to Queensland as part of that State.

146. What, then, is to become of northern Western Australia and northern South Australia?—They should be Federal territories, managed by the Federal Government, until strong enough to become a State or States.

147. But how is that country to be populated and developed?—As South Australia and Western Australia have been developed in the past.

148. But the population is small, is it not, in those northern territories?—It is small, but every now and again there is a slight increase.

149. What is the chief purpose to which northern Australia is devoted?—Stock-raising and gold-mining, excluding Queensland.

150. Supposing irrigation-works were undertaken there, is there any land available for cultivation?—Yes, very large areas highly suitable, by means of irrigation, for tropical agriculture; but, as that is an expensive process, I have very little hope of seeing it adopted at a very early date.

151. *Mr. Luke.*] Have you an Early Closing Act in this colony?—Yes; I will give you a copy.

152. *Hon. Mr. Bowen.*] Do you believe that the northern part of Australia ever can be developed without coloured labour?—I only speak of what I know, and I have spoken very positively concerning the northern portions of South Australia and Western Australia, but of that portion of Northern Queensland north of Mackay I am not able to speak of from personal knowledge or investigation, and concerning that I cannot express an opinion.

GAWLER, WEDNESDAY, 10TH APRIL, 1901.

ALFRED MAY examined. (No. 230.)

153. *Hon. the Chairman.*] What are you, Mr. May?—An engineer, and proprietor of the Gawler Foundry and Engineering Works.

154. How many hands do you employ?—In full working, 250. We make agricultural implements and mining machinery especially. The large machine you see here is a winding-machine, and I think it is the largest winding-engine that has been made in South Australia.

155. What is your average rate of wages?—For fitters 1s. 3d. an hour, and they work eight hours a day.

156. Have you any apprentices?—We do not indenture apprentices. Young fellows, after they have been with us four or five years, and are in any way qualified, get about £1 10s. a week. We start them at about 6s. I have here in the foundry youths getting from 6s. to £1 10s. They number 33 per cent. of the hands employed.

157. Do you have any labour troubles with your men?—We have never had any labour troubles.

158. Can you tell us what would be the cost of harvesting with the stripper-machine we see here?—I could not tell you.

159. *Mr. Luke.*] Do the lads pay a premium when they enter the shops?—We have no premiums in South Australia; but the lads start on wages at once. There is no binding agreement at all. All that is necessary when they leave is to give them a notice saying that they were employed at such-and-such work, and they never have any difficulty in getting employment when they leave our premises.

160. *Mr. Leys.*] How many acres would the stripper you make harvest in a day?—About 12 acres; but I have records showing where they have done a lot more with three horses under ordinary conditions, but a lot depends on the soil.

161. Do you think that strippers of this construction would be of any use for wheat-harvesting in New Zealand?—I do not know anything about your conditions.

162. Does the straw have to be very dry in order to make the machines work well?—Not necessarily, as long as the beaters can cut it off.

163. What is about the average height of your wheat here?—Four feet, and some crops go up to 5 ft.

164. *Mr. Beauchamp.*] I suppose your "stripper" is universally used among the farmers here?—Absolutely so. I do not know of any place about this colony where they are not used. The

“header” is a machine which, if the wheat has been allowed to mature too much in the stooks, strips the heads off the straw, but the straw does not go through the stripper at all. We turn out about two hundred and fifty of these strippers a year, and the sale-price is about £58 f.o.b.

165. How long have these machines been in work?—Sixteen years. We also make broadcast seed-sowers and ploughs.

166. *Mr. Luke.*] Do you export largely to the other States?—This State is our principal market; but, unfortunately, South Australia has been subject to drought, and the market has not been as extensive on that account as we would have wished. Other places have been our principal market for some time.

THURSDAY, 11TH APRIL, 1901.

FREDERICK SAMUEL WALLIS examined. (No. 231.)

167. *Hon. the Chairman.*] You are the secretary to the United Trades and Labour Council of South Australia?—Yes.

168. How many bodies does that represent?—Twenty-three, with a membership of over two thousand.

169. Has that council been long in existence?—Seventeen years.

170. Is there any Arbitration and Conciliation Act in force in South Australia?—Yes; it is *Mr. Kingston's Act*.

171. Is that a voluntary matter, or are they compelled in any way by law?—It is not compulsory; that is the weakness of it.

172. Can either side decline to attend if cited by the President of the Court?—There have only been one or two occasions when there has been an attempt to make use of the Act, and then the absence of a provision for compelling the two sides to come together was found to be the weakness. There was a dispute a little while ago in connection with the tobacco-twisters' trade. In that case the Chairman of the Conciliation Board, *Mr. Commissioner Russell*, invited the two parties to lay the matter before him, and they agreed to do so and to abide by his decision; but had one side refused nothing would have come of it.

173. Is there no machinery, then, for enforcing the award of the Court?—No.

174. Are industrial disputes rare here?—Of recent years there have been none of any consequence, with the exception of the bootmakers' strike four years ago.

175. Is there any standard rate of wages in the trades here?—In some trades they have a standard. You can get a fairly accurate statement of the average rates from the statistical register published here—a Government document. In the Federated Plasterers' Union, the secretary recently informed me, the recognised rate of wages is 9s. a day. For journeyman butchers there is no ruling rate, but they are expecting to get one fixed under the Factories Act. They do not come under it at present; hence they cannot yet obtain the advantages of a Wages Board. By resolution of Parliament they can come under the Act, and, in fact, any trade outside the four trades named in the Act—the baking, furniture, clothing, and bootmaking—can be brought under its provisions by resolution of Parliament. For carpenters the rate is from 9s. to 10s. a day of eight hours. It is eight hours in most cases. For builders' labourers, 7s. (with 1s. an hour for overtime) for eight hours. Bricklayers and masons, 10s. per day of eight hours. For tailors I cannot get any definite information, because the trade is so disorganized. That is one of the trades named in the Act, and in connection with which they hope to have a Board appointed very soon.

176. You spoke of a Wages Board: is there such a Board established?—The Factories Act recently passed provides for the appointment of a Wages Board in connection with each of the four trades named in the Act.

177. Is that similar to the Wages Board in vogue in Victoria?—Yes. The Premier has told me that the regulations will be issued in this week's *Gazette*.

178. Is the eight-hour system generally observed in South Australia?—It is, in connection with trades.

179. Have you a Shop Hours Act here?—No; we have an Early Closing Act, which deals with the closing-times, but does not limit the hours. Under the Act the shopkeepers are supposed to close at 6 o'clock on four nights in the week, and at 1 o'clock on one afternoon, and they can keep open until 9 o'clock on Friday or Saturday night, as the case may be. It depends upon whether they close on Wednesday night or Saturday as to which night they keep open until 9 o'clock.

180. Are there several trades which do not come under the Act?—Yes. I am informed by the chaff-mill employes that they work from ten to twelve hours a day.

181. What wages do they get?—I do not know, but they are not high.

182. Do you know anything about the hours and wages in the foundries?—I believe the boiler-makers get 10s. a day on the eight-hours system, and the engineers about the same.

183. *Hon. Captain Russell.*] Do you know if the eight-hours system is strictly observed here, or is it really a longer day?—In all trades where there is a union the eight-hours system is observed faithfully, but where there is no organization I cannot speak definitely.

184. Do you really believe that the men in the chaff-mills work twelve hours a day?—I believe the men told me what is true. The men have to go early in the morning to see to the horses, and have to stay late at night for the same purpose, and the consequence is that from starting-time to finishing-time they average about twelve hours.

185. *Hon. Mr. Bowen.*] But the men who look after the horses are paid extra, are they not?—I am given to understand, no.

186. *Hon. Captain Russell.*] Are these works in the country or town?—Round about, in the city and suburbs.

187. But I suppose you recognise that it is not possible to work twelve hours during the winter, because there is no light?—I give you the information exactly as I got it, and it is only recently that I learned anything in connection with the chaff-mill employés. The union was only formed a little while ago mainly because of the long hours worked.

188. You think it is a *bond fide* statement, and not merely a figure of speech?—I think so, and that it may be taken as reliable.

189. Then, we may take it that the answer is that you do not know what the average work is, but that on certain occasions they work for twelve hours?—I understand that, generally speaking, they average twelve hours a day.

190. You say the plasterers receive 9s. a day?—Yes.

191. Do the more skilled tradesmen get nothing better than 9s.?—It has been up to 10s., but it is back again to 9s., which is the ruling rate at present for plasterers.

192. Does a first-class hand get the same wages as a second-class hand?—I cannot give you any information on that point.

193. Do you know what wages the agricultural labourer gets?—I do not know anything about that, beyond what is in the statistical register.

194. *Hon. Mr. Bowen.*] Are there many strikes here?—No, we are pretty free from labour disputes.

195. Do you attribute that to the passing of the Arbitration Act?—No.

196. You think the people are generally contented here?—They accept their disadvantages without making a great public to-do. My experience in connection with the Trades and Labour Council is that there is very little in the way of differences between employers and employés at present.

197. Then, there is no agitation in favour of legislation?—There has been agitation in favour of a Factories Act.

198. But not for the Conciliation and Arbitration Act?—No; but we would like to get our present Arbitration and Conciliation Act brought more into harmony with the New Zealand Act, so that it would be more useful to us. As things stand now, it is almost a dead-letter.

199. *Mr. Roberts.*] Have your country workers amongst the agriculturists and pastoralists formed any union?—Not among the agriculturists.

200. Is there a shearers' union here?—There is an Australian Workers' Union, which includes shearers.

201. Is that affiliated to the Trades Council?—Yes.

202. I understand there is some difficulty likely to arise amongst the shearers this year?—I have not heard of it.

203. You have not heard of any circulars having gone out from headquarters, indicating that new terms are to be demanded?—I believe there has been something going on, but I cannot say that there is likely to be trouble. Nothing has come before the council.

204. *Mr. Millar.*] Is your Factories Act on the same basis as the Victorian and New South Wales Act?—It is based on the Victorian Act.

205. How do you find it operate: is it only partial in its application?—It has not come into operation yet. It has been restricted to the metropolitan area only, but we would have preferred it to have applied to the whole colony. As things stand now, the Act may be extended to any other district by a vote of Parliament. Both Houses have to approve of the extension of the Act to another trade, but either House can approve of the extension of the Act to another district.

206. But in Victoria I understand that a member of either House can move the motion to bring any trade under the Act, and that if carried it takes effect, and that trade comes under the Act?—We wished to get the same thing here, but we were not successful.

207. So that your Factories Act is really behind the Victorian one?—Yes.

208. What is your basis for a factory?—One hand constitutes a factory here—one employé besides the employer.

209. How do you propose to regulate this class of labour which cannot possibly come under the Factories Act—all the unskilled labour?—There is no way, excepting by organization and following the lines hitherto adopted in forming unions.

210. That is to say, forming unions and then striking?—Not striking, but agitating.

211. Assuming that they agitated for some considerable time and got no redress, do you think that they can hold together a large body of men who cannot get satisfaction if those men believe they are labouring under heavy disadvantages?—With an Act such as we have it is capable of improvement, and every effort would be made to get any body of men engaged in any trade or calling brought under the Act.

212. How do the labour people here view the question of compulsory arbitration?—They are favourable to it.

213. Then, I may reasonably assume that it will be the endeavour of the Labour party in South Australia to get the Federal Parliament as soon as possible to make the Compulsory Arbitration Act apply to the whole of Australia?—I can safely say that they are favourable to it—in fact, that they are expecting to have similar legislation introduced in the Commonwealth Parliament to that existing in New Zealand.

214. How do you arrange the number of boys or girls to be employed in any one trade: have you any restrictions in that respect?—Only such as the rules of the trades-unions may adopt.

215. Could you enforce them?—Just to the extent that the union is strong enough.

216. What legislation have you in South Australia for the protection of labour outside the Factories Act?—The Workmen's Compensation Act recently passed, which includes the seamen. I do not think the English Act does that.

217. Do you know whether it is on the same lines as the English Act?—I cannot say. There is also a Workmen's Lien Act, but it wants improving, and that is the case with most of our industrial legislation.

218. Do you anticipate, under the Federation you have now gone into, that South Australia from the labour point of view is likely to make any great advance?—The majority of us confess that we do not know exactly how federation will affect some trades. It remains to be seen what its effect will be, but no doubt some trades will suffer on account of the concentration of industries in one or other of the capitals.

219. I presume you are of opinion that there will be a great deal of drawing-off, as it were, to Sydney and Victoria of several manufactures from here?—Yes.

220. That means that people will have to follow the work?—Yes.

221. What industry do you think that will apply to?—I cannot speak definitely on that point.

222. Do you think the people in your State Parliament will be able to go in for any advanced legislation unless the other colonies go in for the same thing at the same time?—That is a matter the Labour party in the various colonies intends to keep in view, so as to bring the colonies into line as much as possible in all labour movements.

223. Do you see much prospect of that being done, seeing that the same men who are running the Federal Parliament have been for the last ten years your representatives in the State Parliament, and have not been able to accomplish much in that direction?—The candidates for the Federal Parliament in this State practically adopted the Labour party's platform.

224. Have you got that in black and white from them?—It is in their public utterances and published opinions, and they have gone in on those opinions.

225. We know, as far as Queensland is concerned, that that is pretty well correct too; but, assuming that the smaller States were consolidated in connection with the matter, do you think that you then would be able to do anything as against the opposition of the larger States? In New South Wales you would have a block vote against labour and industrial legislation. You would have the two largest States combined entirely against the smaller States?—I do not think you will find that there will be any one State unanimous on any one point against the other States.

226. *Mr. Luke.*] Have you a general knowledge of the conditions applying to labour in New Zealand?—No; I have seen the journal of the Labour Department there. In January, 1900, a communication was sent to the Trades Council here from New Zealand asking for an expression of opinion as to how federation was likely to affect New Zealand industries. It came from the Wellington Trades Council, and this is the reply that was sent by our council:—

[Extract from letter, F. S. Wallis, honorary secretary United Trades and Labour Council of South Australia, to Wellington Trades Council, dated 29th January, 1900, and printed in *New Zealand Times* for 16th February, said letter having been approved by the council of South Australia before being sent.]

"(1.) In 1891 those of the workers who gave the matter any thought were mainly inclined to look with suspicion on the movement for intercolonial federation, holding that it was supported principally by a class who hoped thereby to curb the growing-power of the labour unions, and to make more difficult the enacting of legislation directly in the interests of labour. Now, however, federation is practically an accomplished fact, and under the Commonwealth Bill it is possible for the people of each colony to secure labour representation in both Houses of the Federal Parliament. Hence, if the workers will only exercise their power, the Federal Parliament may be so constituted as to insure a proper regard being paid to their interests in legislation of a Federal character. Speaking of labour as a whole throughout the colonies in the Federation, it may be said that the probable effect of federation, as far as legislation is concerned, will be beneficent or otherwise, according to the extent to which the labour interest is directly represented in the Federal Parliament.

"(2.) The abolition of Customs duties between the colonies will naturally have an effect on certain manufacturing industries, but to what extent will only be known by experience. In some trades in this colony it is expected that as a result of federation Melbourne or Sydney will become the centre of operations, and that large establishments in one or both of those cities will take the place of many of the factories in Adelaide and elsewhere. Men in some trades, therefore, here have rather pessimistic ideas regarding federation from a personal point of view. Men in Sydney or Melbourne, however, in the same trades, also taking a personal view of the matter, may see reason to anticipate a better state of things than at present exists for them. The aim of nearly all manufacturers appears to be to get as nearly as they can a monopoly of the public patronage, and there are some who under federation will hardly be satisfied with less than the whole of Australia as their customers. 'Live and let live' is not their motto so far as their own line of business is concerned. This concentration of industrial energy will mean a larger output at a proportionately diminished cost of production—in other words, the employment of fewer hands in the aggregate than at present. The net result will be in some trades an increase in the number of unemployed; but intercolonial free-trade—whatever its effect upon certain trades in one particular colony as against another—is inevitable, and, as happens in the case of introduction of machinery, matters will in course of time adjust themselves by the surplus men seeking other occupations.

"(3.) So far as this colony is concerned, there may be ways in which losses will be counter-balanced by gains. For instance, it is believed that a great impetus will be given to our wine industry by the removal of Customs duties between the colonies, and that in other directions our natural products will be in much greater demand than at present.

"(4.) It is thought by some that the Federal capital will draw the majority of the wealthy people to it—that it will be a sort of seat of Australian aristocracy—and will thus be detrimental to all the colonies (the capitals particularly) except the particular colony within whose borders it is to be situated. But the building of a new city will necessarily attract population of every description, and if the erection of a Federal capital should result in a more liberal expenditure of their incomes

by the moneyed classes it will not be altogether a disadvantage to the handicraftsmen of Australia as a whole.

“(5.) In conclusion, I may say that we are not quite clear that what I am forwarding as some of our opinions will be of much assistance to you in determining how far the Commonwealth Bill is suited to the circumstances and geographical position of New Zealand.”

227. *Mr. Millar.*] You say there that, now federation is an accomplished fact, you believe the working-classes have sufficient power to return labour members to the Federal Parliament who will look after the interests of labour?—Yes, if the working-classes exercised the voting-power they have got; but only 40 per cent. of the people here voted for the Federal elections. Had a larger percentage voted we would have had two more labour members in the Federal Parliament.

228. Supposing you had all labour members in that Parliament, what power have they got to legislate on social questions at all, seeing that you have tied them down by your thirty-nine articles? They have no power excepting to pass an Arbitration Act?—The old-age pensions comes under the labour platform, and it is one matter the Federal Parliament can legislate for. They can also legislate for the settlement of industrial disputes that extend beyond the borders of another State. That is a very large matter, and I look to the Federal Parliament to prevent a recurrence of inter-State labour troubles.

229. But, having legislated on that, what is there left for them to do?—If they deal with that one question satisfactorily—I refer to disputes extending beyond the border of one colony—they will do a good thing, and confer a lasting benefit on the workers.

230. Do you anticipate that your local Parliaments will be able to pass progressive legislation unless that legislation is passed about the same time by all the States—that is, reducing the hours of labour in one State to forty-eight hours?—Of course, the hours of labour have not been brought down in a wholesale manner to forty-eight. They have only come down in one trade at a time, and I cannot see how any reduction in the hours of labour would come about in a wholesale fashion as applied to all trades.

231. Are there none of your trades now that work forty-four hours only in a week?—I have an impression that there are one or two who do not work the full forty-eight. The Factories Act of 1894 is confined to limiting the hours of women and young persons only, and provides for not more than one hundred hours' overtime being worked throughout the year.

232. *Mr. Beauchamp.*] To what do you attribute the fact that only 40 per cent. of the people voted at the last elections?—I do not know what to attribute it to; but I think that people who would not vote for the Federal Parliament (having adult suffrage) do not deserve to have a vote for any purpose.

233. What is the condition of labour here at present?—In some trades it is all right, but among the unskilled men there are always some out of work.

234. Are there many unemployed here?—I cannot say there is at present, generally speaking.

235. Has your experience of the working-classes been confined to South Australia?—Yes.

236. How does the Labour Bureau work here?—Generally speaking, I think it accomplishes the object it was intended for—namely, to provide a medium between the employer and those who want work.

237. Do people find the heat here oppressive, and calculated to reduce the quantity of work they can turn out?—We feel the heat on our very hot days, but we get through our work just the same.

238. *Mr. Luke.*] Is the furniture trade largely developed here?—With regard to that trade Chinese are troublesome to us.

239. Are there many Chinese in that trade in Adelaide?—In Adelaide, I am informed by a member of the trade, their competition has been very keenly felt, and they have already brought down the quality of the work, and also the price of it in consequence, as British workmen cannot do it at the same price.

240. Is there a large boot industry here?—There are several factories.

241. Do they export largely?—I cannot say.

242. Are there any large engineering-works in the City of Adelaide?—There are several in the city, but I can give you no information about them.

243. *Mr. Leys.*] Was the adoption of the Victorian Wages Act in your factories here urged by the Trades and Labour Council?—Yes. We wished to have the Act as nearly as possible on the lines of the latest Victorian legislation.

244. Why was it that you went in for the system of Wages Boards in preference to amending your Conciliation and Arbitration Act so as to make it compulsory?—The operation of the Victorian Act was so much better known to us than the operation of your Act in New Zealand, Victoria being so close to us; and the different trades were able to follow the benefits resulting from the Victorian legislation, as they were brought more prominently under our notice, than the effects of your legislation.

245. Is the feeling amongst the workers here that the Victorian Act is a very effective Act?—Yes.

246. You do not want both the Conciliation and Arbitration Act and the Wages Act, do you?—The Factories Act covers much the same ground, certainly, as the Wages Act does.

247. Is it not just another way of doing the same thing?—It is to a great extent.

248. Under the Victorian Act there are now about twenty-six trades which appear to have been legislated for: how is it that you could only get four trades brought under your Act in South Australia?—That is the result of the majority in our Parliament being of a Conservative tendency. We had great trouble to get an Act at all, and the Bill, as introduced last session, was much more comprehensive than the one that was passed. The Conservatives were totally against the Bill, and it was limited to four trades so as to get something, with the restriction that no other trade

could come under the Act without a vote of Parliament, and that no other district beyond the metropolitan area could come under the Act excepting by a vote of either House.

249. Do you think that there will be great difficulty in getting other trades brought under the Act?—No, not if the Act is proved to be beneficial. I think that would be a strong argument that would overcome the opposition to getting other trades included.

250. Do I understand you to mean that the unskilled trades could be brought under the operations of that Act?—I should think they could if they were organized.

251. Notwithstanding the fact that they are not working in factories?—The definition of a factory is pretty wide.

252. *Hon. Major Steward.*] You said your Factories Act was considerably amended in its progress through Parliament: do you mean in the sense of being improved?—No; mutilated.

253. It was restricted largely in its operation, was it not?—Yes; some would put it that way.

254. Does the Wages Board deal with any other conditions of labour than the mere question of pay? Does it take into account the number of apprentices?—Yes; but not the hours. This was one of the directions in which it was mutilated. The Wages Board has no power to deal with the hours, and it stands to reason that you cannot fix the wages satisfactorily without reference to the hours.

255. What is your proportion of boy-labour in various trades to journeymen?—The trades that have unions generally provide for the number of apprentices to journeymen.

256. Does the Act recognise the regulations made by trade-unions?—I cannot say that it does; but we shall see when it comes into operation how far these regulations will be recognised. I think the Victorian Act has taken them as a basis, generally speaking.

257. As regards your boy-labour, do you insist upon indentures?—Some trades do under their trade-union rules, but we have no law insisting on the indenturing of apprentices.

258. *Mr. Millar.*] Under this Factories Act do you think it is advisable, from the labour point of view, that the political element should be allowed to be so largely mixed up with it? Do you think it is advisable, in the interests of the workers of this colony, that a Factories Act should be on the statute-book which practically places the whole power in the hands of members of Parliament?—No. I would have preferred that the Act should have been much wider in its application, and that its provisions could be taken advantage of without having to obtain permission of Parliament.

259. You would keep the political element out of it altogether?—Yes; I would have preferred that. To have made the Act apply all round in the first instance, so that no further political interference was required, would have been better, in my opinion.

JAMES DUNCAN examined. (No. 232.)

260. *Hon. the Chairman.*] You are a member of the firm of Duncan and Fraser, coach-builders?—Yes. We have been in business here thirty-five years, and we pay about £105 a week in wages. The average wage for an adult is from 8s. to 10s.; 9s. is the average coachbuilder's, and the hours of labour are eight a day. For the last three months we have been working up till 9 o'clock at night, and overtime is paid for.

261. Have you experienced any difficulty in the matter of trade disputes with those in your employ?—We never have anything of that sort.

262. Are there many in your line of business in South Australia?—There are a large number of carriage-builders here.

263. Do you think federation will prove of any benefit to the manufacturers of South Australia?—I think it will be an advantage to us.

264. In what way?—Because our colony borders on every other colony. We send goods up north, to Queensland, and to Broken Hill, which is a New South Wales city. Then, if we had federation and free ports we could do a large amount of business on the Victorian side. So far as business is concerned, the first eighty miles of Victoria would, I think, belong to us; and, of course, we do a considerable business with Western Australia.

265. Have you any fear of the trade being drawn from here to the larger centres?—Some classes of trade might go, but I think we shall get other classes in return. In Victoria there is a demand for high-class carriages, because they live much more stylishly than we do, and it does not pay us to make a carriage that is only required perhaps once in two or three years. There are not more than two or three landaus made in this colony in ten years, and that trade would probably go to Victoria, where they are making them every day.

266. Do you export any of your vehicles to New Zealand?—No; and even with intercolonial free-trade I do not think we would. I visited New Zealand a few years ago and looked through their shops, and, while there were no very large factories there, the people seemed to be well up in their business, and the freight would preclude us from any chance of doing business there.

267. *Mr. Reid.*] Is your trade protected?—Yes. It is a fixed duty, according to the value of the vehicle, but it is sufficiently protected to stop the importation of vehicles into South Australia. I believe the development that has gone on in this trade has been largely due to the protective duties.

268. Do you assume that when the Federal tariff is made you will get a less duty than you have now, or a high one?—We could do with a less duty without being injured.

269. *Mr. Luke.*] Do you manufacture the tram-cars we see plying here?—Yes. We have made all the tram-cars required here for the last fifteen years. The wheels come from Home, but we make the axles and other fittings. I also made the tram-cars used in Ballarat, and in that case I competed successfully with the Victorian manufacturers, and against their high duty.

270. Do you grow timber here for making the felloes and spokes?—Practically nothing but the felloes. We import the hubs and spokes, and a number of the felloes. There is a very large demand for buggies and carriages, but very little demand for landaus.

271. Are there any skilled men getting higher than 9s.?—Yes; I have two men getting 12s.—one is a blacksmith and the other is a trimmer. For 10s. you could get a good body-maker. We pay every man according to his work.

272. Do not the trade organizations regulate your rate of wages?—Hitherto they have not, but we expect to have a Bill brought into operation for the minimum wage which will affect them.

273. Do you apprentice the lads?—We do not have any apprentices.

274. What wages do you pay them?—About 6s. or 7s. a week, according to their work. We gave up apprentices when we went in for new machinery, as we thought we would not be doing justice to the boys in bringing them up in a purely machine-shop, as they could not get a living elsewhere. A boy gets £1 a week as soon as he can earn it, and he gets a yearly rise of 3s., 4s., or 5s.

275. Does not that breed dissatisfaction amongst the boys?—It creates emulation.

276. But does not the opposite happen sometimes?—If there is any dissatisfaction they have to get a job somewhere else.

277. About what proportion of boys do you employ to men?—We have about three men to one boy.

278. I suppose in the coachbuilding business a good deal of machinery is employed?—No; I think we are the only people who use machinery here.

279. *Mr. Beauchamp.*] Have you an extensive free-list under the Customs tariff?—No; everything we use is taxed about 25 per cent.

280. Have you any serious competition from American carriages and buggies?—Practically none. I have only known of one being imported for years past. There is a fixed duty of £10 a buggy, and if it has a hood it is £15, which is practically prohibitive.

281. *Mr. Millar.*] According to your evidence, there is no such thing as an eight-hours day in your industry?—Yes, those are the regular hours.

282. But you do not pay any overtime?—No.

283. Have you not been working overtime considerably lately?—For the last three months we have had a great scarcity of men.

284. That means that the men have been working nine hours a day for the same rate of wages, and that the eight hours does not apply?—They do not get any extra rate, but they get paid for the number of hours they work. In some trades people have had to pay "time and a quarter" or "time and a half," but it has not been the custom in our trade.

285. You do not anticipate any danger through federation to your trade here?—No; I am quite prepared to compete with, and I have been able to compete with, Victoria, and they are the most formidable competitor we are likely to have.

286. In your tour round New Zealand, how did you find the carriage-building industries there: were the establishments well equipped with machinery?—I do not think there is one which has as much machinery as we have, but still I cannot be certain of that. In Auckland there are one or two good-sized establishments—Atkins's and Cousin Brothers', but none are very extensive.

287. You feel pretty sure that the freight would prevent you going into the New Zealand trade, even if there were free-trade?—Yes, I am quite satisfied about that.

288. *Mr. Roberts.*] Do you think a man here can do as good a day's work as he can in New Zealand, in the milder climate we have there?—I think the advantage would certainly be in favour of the milder climate, but we have the most delightful climate in the world here in the winter-time.

289. *Hon. Captain Russell.*] Do you find any difference in your output in the cooler winter months as compared with the output in the summer months?—No; we are exceedingly busy in summer, and we find the men are very willing in helping to get the work through.

290. Can they do as much work in a day when the thermometer is at 100° as they can in the winter, when it is not over 70°?—I believe they do quite as much, because we are generally very busy in summer.

291. During the summer-time, when you have great pressure of work, are the men paid the same wages as they are in the winter-time, when you have an easy time?—Yes, the men are all supposed to be paid a fair day's wage all the time.

292. You say you have not had the eight-hours day: supposing a man works ten hours, what does he get?—He gets paid in the same proportion extra as for the previous eight hours, but he does not get a special rate for overtime. We pay so-much an hour in Australia.

293. Then, if a man only works seven hours, does he only get paid in proportion?—He gets paid for seven hours, and if he works twelve hours he gets paid for twelve hours.

294. *Mr. Leys.*] Are there any New Zealand woods used in carriage-building?—Yes, kauri especially; and there are a number of other woods in New Zealand we should be glad to get, but they do not come here; but unless there is a big trade I think you cannot export them profitably.

295. What wood was that?—Mangia. It is used in shafts; but we generally get them ready made in England and sent out.

296. Is not the kauri used more for the body-work?—Yes; it is the best wood we can get for the purpose for buggies, although cedar is perhaps better than even kauri for front carriages. Kauri is a splendid timber to bend. There is some soft-wood kauri very largely in demand, but it is rather difficult to get. We have had some timber coming from Queensland lately which may compete with kauri.

H. J. HOLDEN examined. (No. 233.)

297. *Hon. the Chairman.*] What are you?—Leather-goods manufacturers and saddlers principally. We employ about a hundred hands, and the average rate of wages paid to them is about £2 5s. a week of forty-eight hours. The best men run to £2 8s., and the medium to £2 2s.

298. What do you pay for overtime?—Time and a quarter.

299. Have you any apprentices in your business?—They are not bound, but we have boys. We have no bound apprentices, because it is not the custom in South Australia.

300. Is the leather used by your firm of colonial manufacture?—Both English and colonial. The best class is English; the medium and rough classes of goods are made of colonial leather. We import basils largely from New Zealand.

301. What about the iron- and brass-work in connection with your trade: where does that come from?—Mostly from England; but we also get a small amount from America.

302. Have you had much trouble or any trade disputes with your men?—None at all for over twenty years.

303. How do you think federation will affect your trade particularly?—Most favourably, through the opening of larger markets by means of intercolonial free-trade. South Australia in particular will benefit, because we shall to a large extent control the intercolonial border trade, which hitherto has not been of much use to us. It used to belong to South Australia some years ago, but since the heavy protectionist policy was set up by Victoria and Queensland this trade has been lost.

304. Have you any fear of the larger concerns in other States interfering prejudicially with your establishment?—Not in the slightest; we are quite able to hold our own.

305. *Hon. Captain Russell.*] Broken Hill is not in this State?—No.

306. Then, you have to pay duty on goods going from here to Broken Hill?—No, not to Broken Hill, because it is in New South Wales territory, which is practically free-trade. We have the Broken Hill market.

307. Where do you expect to get any markets under federation?—In the principal points I have mentioned—that is, the Queensland western border trade—because South Australia holds a geographical position in the centre of all the States. We touch the Queensland border on the north-east, and also lower down touch the New South Wales border, and still further south we touch the Victorian border. But it is principally the Queensland border in the north-east which will give us a very large trade, and which, on account of the intercolonial jealousies due to border duties, is now closed to us.

308. How do the rates of wages in South Australia compare with the rates of wages paid in Victoria?—If anything, I think they are higher here.

309. Do you find the quality of colonial leather good?—The principal fault in colonial leather is that they do not give it time enough to mature. The quality of the leather produced here is satisfactory, and the tannage is satisfactory, but there is not sufficient time given it to mature, and therefore the grain is open, and that affects the leather prejudicially. Of course, in England, where the tannage mostly used is oak-bark, it is allowed some two years to mature.

310. Are the Australian tanning materials as good as the oak-bark?—Yes, and no. Yes from the point that they tan equally as well, and no from the point that the Australian tannage is more stringent and affects the leather very much more rapidly.

311. What is the Australian tanning material?—The wattle.

312. Supposing you were offered a price to produce the best piece of leather, would you tan it with colonial material or English material?—If I were asked what is the best piece of leather I would say the English leather produced with the oak-tannage.

313. Then, do I understand that we shall always be at a disadvantage in regard to the production of leather?—Of that particular class, yes. But, of course, that leather is very much more expensive—I refer to the oak-tanned leather—and, of course, there is a limit to its production and also to its use.

314. *Hon. Mr. Bowen.*] Is there any other material used here for tanning except the wattle?—Wattle is the principal material for rough and quick leathers; but the tanners used to import “valonia” and “myrabolams,” and other tanning material, which came very largely from Italy. There is no other indigenous tanning material besides the wattle.

315. And if the wattle were given time, would it tan as well as the oak-bark?—I think so, if the leather were given time to mature; but where it is manufactured cheaply the raw materials are used hot and very stringent, in order to strike into the leather more quickly, and the result is that the materials produce inferior leather. We are large exporters of wattle from South Australia, and we can get as much bark as we want for local use.

316. *Mr. Roberts.*] I understand that the principal reason against the producing of good leather in the colonies is the want of capital: is that so?—Yes, that would be one point; I do not know but that there are plenty of people who have the capital and could provide it, but they do not do it.

317. You mentioned that you used New Zealand pelts?—Yes, and basils. There are a great many used here. We buy them mostly from Melbourne and Sydney, as we have no direct communication with New Zealand. Of course, we have to pay the duties, and this limits the consumption; for if they were duty-free I suppose New Zealand basils would hold their own against any other manufacturers.

318. Is there any import duty against salted pelts?—No; they come in free.

319. Do your tanners import them?—Yes, in large quantities; but they are not sold as New Zealand basils, but simply as colonial basils. They are thicker and heavier and more suitable for our trade than any other kind.

320. *Mr. Millar.*] I presume you must be one of the largest manufacturers in your trade in the colonies?—Yes.

321. Then, I suppose you would not be at all afraid of competition?—I think that South Australia would be able to hold its own against every one, and the whole of our trade is of the same opinion as myself.

322. Will the smaller men be able to hold their own under federation?—The trade here is

different from what it is in other places. The smaller saddlers mostly buy the goods ready made from the large manufacturers, who are more distributing saddlers. It is only three or four large saddlers who do the export trade.

323. Have you direct communication with the borders of Queensland and New South Wales?—Through Broken Hill to New South Wales, and I believe the closest point to Queensland is the Hergott Springs and Oodnadatta line.

324. Has there not been some unfair competition amongst the different railways of the States to get the trade of Broken Hill?—As far as Broken Hill is concerned, only the South Australian railways run there. New South Wales has been talking about building a railway across the Darling and down the Murray, but I do not think it will ever be carried out. The competition is principally between Victoria and New South Wales, and it concerns no one else.

325. Will the removal of the duties affect the existing competition?—Yes, as regards the border trade. If the railway-rates remain as they are now in Victoria I think the South Australian trade will gain.

326. Do you export saddlery to New Zealand?—No.

327. *Mr. Beauchamp.*] Under intercolonial free-trade you will find a fairly good market for your manufactures in Australia?—We should try to, more particularly with regard to Western Australia and the Queensland border.

328. Is it the high duty in New Zealand that has shut you out from that market?—No; principally the distance.

329. How does the quality of New Zealand leather compare with the leather manufactured in other parts of Australia?—My experience has only been in regard to basils, and your basils are better than they are here.

330. What is the duty here?—15 per cent.

331. If we failed to federate would we lose that trade in basils?—We should only be able to pay the duty on the quantity that we must take—that is, the best quality. With intercolonial free-trade, however, you would find a large market for basils throughout the colonies, because they are largely used in Sydney, and we buy from Sydney principally.

332. *Mr. Luke.*] How do the wages paid in this State compare with those paid in Victoria and New South Wales?—As far as I know, our wages are equal to if not higher than they are in New South Wales; and, on the whole, I think they are higher than the Victorian wages also. We have the better class of men, and pay better wages to them.

333. Then, the wages paid in your trade to any skilled man are rather less than what is paid in the other trades?—Taking the term “skilled labour” as the test, £2 8s. is about the average wage paid to the best men here.

334. How do you account for that difference—one man says 10s. a day is the average wage paid?—If that report is given as an average rate for indoor-work I am inclined to think a mistake has been made; 9s. a day would be nearer the mark.

335. Do you think that the trade of the Commonwealth will be possible to you under the changed conditions? Do you think trade can be effected with the interior when the interior railways are put down?—Not to any great extent. We are quite satisfied that we will be able to do an increased trade, even within our own geographical limits, and we shall also try to trade with the different States.

336. *Mr. Leys.*] Is wattle cultivated in South Australia?—Yes.

337. Is the natural supply pretty well exhausted?—There is a considerable natural supply in our hills, and companies have been formed for cultivating the wattle. I believe it is a paying business too.

338. Is it exported?—Yes; largely to London. And it is also used in France and Germany.

339. Then, a quantity of the English leathers that you import may really be tanned with the wattle-bark?—No doubt a very large quantity is tanned with the colonial bark, but we do not import them. We only want from England the very best leather we can get. For certain classes of work colonial leathers answer our purposes equally well. We export sole-leather from South Australia to London.

340. *Hon. Major Steward.*] Is the wattle indigenous to any other parts besides South Australia?—Victoria has a great deal of it, and I fancy there is also some in Western Australia.

341. Without cultivation would the natural supply run out?—I do not think so. There is a large demand for it in London, and the price is being kept up by the demand for it in Germany and in France.

342. Is the leather tanned here used by the bootmakers of this colony?—Nearly wholly.

343. Wattle-tanned leather?—Yes.

344. *Mr. Roberts.*] Can you tell us if New Zealand hides are imported into South Australia?—Yes; the South Australian hides are very light on account of the finely bred cattle we have here; therefore we cannot get any Australian hides of the same strength and thickness as those that come from the colder climates, and consequently we are bound to import our heavy hides, and we shall continue to do so.

345. Do you think South Australia will have to continue to import its heavy hides?—Yes; we are bound to.

346. I suppose the climate affects the qualities of the hides considerably?—Yes.

JOHN FELIX MARTIN examined. (No. 234.)

347. *Hon. the Chairman.*] You are a member of the firm of Martin and Co., Gawler?—I am the chairman of directors of James Martin and Co. (Limited), in business as ironfounders and engineers at Gawler, South Australia, twenty-five miles from Adelaide, and twenty miles from the port.

348. How many hands do you employ?—About six hundred and fifty now. We have had more, and when we were building the locomotives we employed about nine hundred.

349. What are the principal descriptions of machinery that you manufacture?—All kinds of mining machinery and agricultural machinery, and also locomotives which we have built for our Government, for Western Australia, and Tasmania.

350. Will you kindly tell us what the average rate of wages paid in your factory is?—To engineers about 10s.—from 7s. 6d. to 13s.—but a full mechanic gets from 9s. 6d. to 10s. a day. Ten shillings is the average, but special hands get as high as 13s. In the turning-shop they run from 9s. 6d. to 10s., and we pay 12s. to special men. The foremen are paid more than that, and the blacksmiths earn from 8s. to 10s., special hands more. The agricultural hands make from 8s. to 10s.; boiler-makers, from 10s. to 13s.; labourers, from 5s. 6d. to 7s. 6d.; and pattern-makers average from 10s. to 12s., because they are all first-class men. Moulders earn from 8s. 6d. to 12s.

351. What is the day's work in your factory?—Eight hours.

352. What is paid for overtime?—Nothing extra, simply the ordinary day-rates; but when we are busy we work three shifts. We are at the present time working twenty-four hours, in three shifts of eight hours each. In the foundry we keep the men on the night-shifts cleaning up and getting ready for the day-shift, so that there is no overtime, and we find that it pays better than paying overtime.

353. But supposing you are not so busy, what do you do then?—We come down to one shift of eight hours, but we have not done that for the last four or five years with the tools.

354. Is there any other larger factory than yours in Australia?—I could not say; it is rather a difficult question for me to answer.

355. How do you think that federation in Australia will affect your business?—It is a good thing for us to have intercolonial free-trade.

356. Have you done any work for New Zealand?—We have only sent a few strippers there in days gone by.

357. Do you make this machinery for South Australia?—Yes, and for New South Wales and Western Australia. They used to have them in Victoria also, but they put on a 35-per-cent. duty against us, and so keep us out.

358. Supposing New Zealand came into the Federation, would you export to that colony then?—We might in special lines.

359. Have you made any dredging machinery?—No; we have been asked to build it, but it was rather out of our line, and we were a considerable distance away from the places where it was wanted.

360. *Mr. Leys.*] Do you not find it a disadvantage to work so far away from your supply of coal?—Of course, it is a little disadvantage, but we have other things to help us. We get wood fuel much cheaper at Gawler than we would anywhere else. We have to pay the freight on the coal, and that makes it a little more expensive to use.

361. Is there any advantage in your labour being employed so far away from the centre?—Yes, we find it an advantage being here, as we are not interfered with in labour matters. We have trained up our own men, and we have kept them, and we are not interfered with by any one.

362. But would you not come under the operations of the Factories Act?—Oh, yes; but that depends on the amount of work you turn out. We have this advantage: that we are not watched or troubled by agitators, which makes a lot of difference to an employer.

363. And, on the whole, you find that your men are very contented?—Yes.

364. Has there been any agitation for special legislation in your district?—No; but we do not come under Corporation control. The rents and taxes are very much less in a place like Gawler than they would be in Adelaide.

365. In regard to strippers, what area would a stripper cover in a day?—From 8 to 15 acres, but it depends on the part of the colony where you are working. With a fair average yield they could go through 15 acres in a day.

366. What do you call a day?—From daylight to dark. With a damp-weather stripper you can easily do 15 acres a day in the north.

367. Would the heaviness of the crop affect the amount you would strip?—Not in the least.

368. You say you sent some of these strippers to New Zealand: have you heard how they answered?—I believe they did very well in one part of the colony, but very few were sent, and they went to some people who shifted from here to New Zealand, who knew the quality of the machines and ordered them.

369. Do you know whether they are still in use in New Zealand?—I believe they are, but I could not say for certain.

370. Do you think New Zealand straw is dry enough for the stripper to work in advantageously?—I only know that they work the stripper there. I have not been in New Zealand when they were being worked.

371. Does the high straw affect the stripper?—No, because the machine can be lowered up or down to take in a crop from several feet to 6 in. high.

372. *Mr. Luke.*] Do you apprentice your lads?—No.

373. What wages do they get when they begin their business?—That depends on their capacity. Some are worth very little, but others are worth more; we take apprentices, but we do not bind them. If they behave themselves we keep them, and when they have served six years we give them a certificate to say they have learned the business.

374. Do you employ boys at the blacksmithing?—Yes.

375. More particularly in the machine-shops?—Yes.

376. What does pig-iron cost you landed at Gawler?—It depends on the brand.

377. Say, Middlesborough pig-iron?—We never use that, because it is too inferior.

378. What brand do you use?—It depends on the work we are doing.

379. Well, generally?—It depends whether it is for mining machinery, agricultural machinery, or locomotives.

380. Do you use Clyde iron?—Sometimes.

381. What does that cost to land at Gawler?—About £5 10s. per ton; it depends on the freight.

382. What coal do you use?—Newcastle.

383. You have none nearer?—No.

384. What coke do you use?—English coke mostly, Hood's principally; and that and the German cokes we find the best.

385. What is the heaviest casting you have turned out?—We made a wheel the other day for the Lake View Mine which weighed 28 tons.

386. What would be your capacity?—We could have doubled that by having all the furnaces at work at once. We have an arrangement so that we can run them together.

387. Do you work up your own scrap-iron?—Yes.

388. What would be the largest shaft you make, flanged or hammered metal?—We have flanged some about 12 in. and 14 in., but we do not go in for marine work.

389. Have you machinery for flanging plates?—Yes.

390. Have you any system of piecework in your establishment?—Not in the engineering, but we have in the agricultural department, where the whole work is done on piecework.

391. *Mr. Beauchamp.*] With regard to the wages you pay, how do they compare with those ruling in other parts of Australia?—They are pretty much the same, excepting to our special men, to whom we give a special wage. In the case of rock-drills, for instance, we get a good man, and it pays us to give him a couple of shillings more, because he is to be depended on.

392. Under federation do you anticipate being able to extend your volume of trade with the other States of the Commonwealth?—We export now 90 per cent. of our manufactures.

393. To what portion of Australia do they go?—New South Wales, Western Australia, and Tasmania.

394. What about Victoria?—They shut us out by the duties.

395. Under federation do you anticipate doing any business in Victoria?—We have a special concentrating-table for which our price is £85, but the Victorians say that this table could not be manufactured for this amount and they put it down at £90, and then they put another £10 on it—it amounts to about 40 per cent.; it stops us from sending there at all. When we have to obtain special appliances and to compete in the face of that duty, which is prohibitive, it is impossible.

396. With regard to locomotives, were those you made of such a satisfactory character as to induce the Government to give you further orders?—We have made all that have been made for our Government, and we have supplied the other States as they wanted them. It does not pay to keep that kind of material in stock on the chance of being called upon to make engines, because its value is so very great and it is not used for ordinary work; it is a special material which you cannot afford to use in ordinary lines.

397. Are most of the locomotives now used by the respective Governments made in Australia?—Western Australia is importing them. They offered us a big contract if we would shift there, but we did not think it was good enough to put up a plant in Western Australia. They promised us that if we would go to the west they would give us their orders, because the Labour party in that State would not allow the Government to give the work outside the colony unless the firm who received the contract started a branch in the colony.

398. And will not those conditions prevail even under federation?—Not so much. If the Federal Government will only take over the railways, I think that is all we want.

399. *Mr. Millar.*] Were you ever asked to quote for any engines in New Zealand?—No.

400. What price would you manufacture engines at for a 3 ft. 6 in. gauge which now cost us £3,000 on the English market?—You would have to reckon about 10 to 15 per cent. more than what you can buy them for in London. Our contract prices are about 10 per cent. on Beyer, Peacock, and Co.'s prices.

401. Are you aware that New Zealand has been importing engines lately?—No; I thought they would have been able to make them there. But you cannot start making engines unless you have a special plant, and unless you have a contract for a hundred or a hundred and fifty it would not pay to lay down the necessary plant, costing you £50,000.

402. Would your firm undertake to turn out a dozen locomotives in the event of getting a contract?—When we were busy here we did one a week, but if you called for tenders now no one in the colonies would give you the locomotives under twelve months—that is to say, it would be twelve months before you got the first one.

403. I understand that with three shifts you only pay the one rate of wage right through?—Yes.

404. In the event of your working one shift a day of eight hours and keeping the men on for an extra two hours, what would you pay them?—We would simply pay them an extra two hours at the same rate as their ordinary wage.

405. *Mr. Roberts.*] How many years has your business been established?—For about fifty-four or fifty-five years.

406. Has it been a limited company all that time?—It has only been a limited company for a few years, and, although it is now a limited company, we do not take any one in besides ourselves. No shares are on the market, and the shares cannot be sold to any outsider. We keep the business between ourselves.

407. What is the paid-up capital?—About £120,000.

408. Do you declare any dividends?—We have paid lately about 5 per cent. If we make any more we put it to the reserve fund. We never pay less than 5 per cent., and sometimes more.

409. *Hon. the Chairman.*] What did you say you paid for the coke?—I was offered Hood's coke to-day at Port Adelaide for £3 10s., but if you can fill up with pig-iron you get it at £2 10s. a ton.

410. Is not the tariff a highly protective one in your trade in South Australia?—In some respects, but not in all.

411. And in Victoria?—It is highly protective.

412. Supposing the tariff of the Federal Government is considerably lower than your tariff, would your trade be affected, or is it likely to be affected under the new conditions, by the competition of America?—That would not affect us at all, because we are competing now with America in New South Wales and Western Australia, where we have the same duty to pay as the Americans. We are not frightened of them; but we think it would be a great mistake if the tariff were made more than 10 per cent. or 15 per cent. Portable engines are admitted duty-free here, and if you import the parts to manufacture here you have to pay the duty on them, and that is where the anomaly of the tariff comes in, and the Government are afraid to alter it.

413. *Mr. Luke.*] Have you any branch establishments throughout the Commonwealth?—No, not manufacturing branches; but we have a place in Perth, just a store and office. We have no manufacturing establishments besides the Gawler Works.

WILLIAM BURFORD examined. (No. 235.)

414. *Hon. the Chairman.*] You are a Justice of the Peace and president of the Chamber of Manufactures in Adelaide?—Yes.

415. What does that body represent?—The manufacturing and producing interests of South Australia.

416. Is it a large body?—I think there are about 140 subscribers, representing seven or eight different manufactures.

417. What is the object of your chamber?—To foster the industries and productions of the colony; to gain all the possible information we can from other parts of the world, to tabulate it, and then to give it out to those persons who are interested in our productions.

418. Has your chamber favoured a policy of free-trade or protection?—It is a non-political chamber, but most of the members favour a protectionist policy.

419. How do they view the federation of Australia?—Very favourably, and we have done our best to bring it about.

420. What advantage do you expect to derive from federation?—A larger market for our manufactures through intercolonial free-trade. Being a small community, and having our factories provided with the necessary machinery, it will be greatly to our interest to have a larger population to work upon.

421. Are you concerned with the labour laws in South Australia?—As an employer I am, but as a chamber we are not. The only part we have taken in that connection is to obtain copies of the various Bills which have been put before Parliament, and to bring them before the chamber for perusal and suggestions.

422. Have there been any strikes in South Australia?—On two occasions we have had strikes in the boot trade, but I do not know anything about the boot industry to enable me to express an opinion upon it.

423. *Hon. Captain Russell.*] Have you considered how the Federation will affect the State finances?—No, we have not gone into the matter. Our idea is to increase our manufactures and increase our population.

424. But supposing there should be a less protective tariff under the Commonwealth than you have now in South Australia, will not that diminish your State revenue considerably?—I think so.

425. Have you any idea how best to make up such a deficiency?—Do you wish me to answer that personally, or to give the opinion of the chamber?

426. As you choose?—We have not gone into the political aspects as a chamber, but my private opinion is that the most legitimate way of raising the revenue is through the income-tax; and a protective tariff would benefit the colonists generally by encouraging our manufacturers and producers.

427. Have you any income-tax at the present time?—Yes.

428. Then, supposing that there is a policy more or less free-trade, do you think you would have to increase the income-tax?—Yes, I do not see any other way.

429. What amount do you imagine you will have to levy to balance the account?—I would scarcely like to say, not having gone into the matter.

430. *Mr. Roberts.*] Did the chamber approve of the labour legislation passed here during the past few years?—In part.

431. Did you find that the operation of those Acts in any way hampered trade?—They have not materially affected us; but they were not passed as they were first intended. If they had been they would have been oppressive, but we do not find them oppressive now.

432. *Mr. Beauchamp.*] The financial effect under federation was not very seriously considered by the various colonies before they federated, was it?—No.

433. Do you think that three things practically urged the different colonies to federate—namely, the desire for intercolonial free-trade, the abolition of the friction that had arisen in respect to the control of the rivers, and the desire to abolish the differential rates on the railways?—Those would be the three primary causes.

434. In addition to that, was there not also a certain amount of sentiment?—That was a strong reason, but the tariff question was the greatest reason of all.

435. *Mr. Leys.*] I suppose you consider a great portion of New South Wales belongs to South Australia naturally?—Yes, as far as the mining interests are concerned.

436. I mean as to the territory generally, which is more in touch with Adelaide?—Broken Hill is looked on as our territory, because the business-people here have really done the major part of the business of this place.

437. I suppose what you have said in favour of federation is because you are a South Australian, but would you also be in favour of it if you were a New-Zealander?—There is no doubt that New Zealand is peculiarly situated, inasmuch as it has no other country on its border; it is separated from the continent by sea, and it is very far away.

438. Do you anticipate any advantage in government from the Federal system? Do you anticipate that there will be any improvement?—No. I have not considered that there will be any improvement in the government at all in our case; but I believe we shall find that the administration will be very much more expensive under federation than it was before.

439. Then, it is really a commercial advantage that you lay stress upon?—Yes; and in the body I represent that was the aspect that was considered.

440. Are you not a little bit afraid of the competition of the larger industries of Victoria and New South Wales?—Not at all. I am a manufacturer myself, and naturally look to the advantages that would accrue from having a larger population to make soap, candles, glycerine, and oils for.

441. Do you not think that the Victorian manufacturers can compete with you successfully when the duties are removed?—I think we shall have the advantage of them.

442. How do you expect that?—In the first place, I have taken orders from them on their own ground. The quality of our goods is already bringing us into their trade. Our goods are very well known as against the very best articles that come into the colony. I have secured orders at higher prices than the Sydney Soap and Candle Company.

443. Then, you already have a considerable market in New South Wales?—Yes, especially in Broken Hill.

444. With regard to the labour laws, does the Wages Act affect you?—That is the most depressing part of the work; but I do not think it will be found to have any particular force. They talk about making 7s. the minimum wage, but I do not think it will pass.

445. What is your average wage?—For unskilled labour from 6s. to 7s. a day. Drivers get more money—from 5s. to 10s. a week more.

446. Are there many boys employed in your industry?—Yes; boys from fourteen years of age upwards, the age at which we are allowed to employ them. They begin at 12s. 6d. a week, and at eighteen and nineteen they may get £1 to £1 10s. a week.

447. What is the proportion of boys to adults in your particular branch of industry?—Ten boys to forty or fifty men.

448. Do you know how your rate of wages compares with the rate in Victoria and New South Wales?—We are rather above those in Victoria in the same trade.

449. But is not your industry under the Wages Board in Victoria?—That I could not say. We are not affected by it here.

450. Do you find the local supply of tallow sufficient for you?—For the last two or three years we have been importers rather than exporters, but as a rule we are exporters. There has not been sufficient tallow in the colony to meet its requirements, and we find a better market for the Queensland tallow here for those who have it to sell.

451. Have you ever tried the New Zealand market for your soap and candles? Do you think you could do any business in New Zealand in those articles if the duties were removed?—I am not acquainted with the manufactories in New Zealand, and could not say.

454. *Hon. Major Steward.*] What is the present rate of your income-tax?—I cannot tell you exactly.

455. Does it apply to all incomes or is there an exception?—There is a reserve up to £200.

456. Is it an even rate or a progressive rate?—I could not say. I think the income-tax is a fair one, but that there ought to be no exemptions.

457. Have you also a land-tax here?—Yes; a graduated one.

458. Do you know what that brings in?—No.

459. *Hon. the Chairman.*] Now that federation has become an accomplished fact, do you think there is any probability of these Parliament Buildings here in Adelaide being finished according to the original design?—I was wondering that myself this morning when I entered them, and when I saw the plan as exhibited on the wall. I could only hope in my own mind that they will be finished for some other purpose, because I believe they will not be required for parliamentary purposes. They might be used for a museum, but I do not think there is any probability of their being finished in my time.

460. Does not that point to the fact of the probability of the States being absorbed by the Commonwealth?—No. I do not think the completion of the buildings has anything to do with that.

461. But will there be any financial power in the State to do the work?—Yes. There would be no trouble to get the money if we made up our minds to complete the building.

462. *Mr. Beauchamp.*] What price do you pay for good paraffine-wax used in your manufactures?—From £1 1s. to £1 6s. per hundredweight.

463. Do you use considerable quantities of paraffine-wax in the manufacture of candles?—In winter-time we use some.

464. Do you import that from the United States?—For the last few years we have been getting it from our agents in Melbourne.

465. Is there any duty on paraffine-wax, or is it admitted free?—The duty is 1d.

466. Is there any duty on candles here?—2d. a pound.

467. Does that duty enable many English candles to be sold in this market?—There are not many English candles sold here; they are principally Continental candles.

468. I suppose it is necessary to have that high protection of 2d. to enable you to compete with the Continental candles?—We do not use the duty and never have used it, but we want it as a protection for the manufacturers here.

469. Is there any duty on soap?—There was a large duty on soap, but we never used it. The toilet-soaps were under duty, and there is a duty on ordinary yellow soap of £9 a ton, but we have never used it.

470. If that was reduced by 50 per cent. would it make any difference to your industry?—It would on toilet-soap and candles. It would break it up altogether, because we only want that duty to insure our being able to manufacture the soap here in the colony.

Professor WILLIAM LOWRIE examined. (No. 236.)

471. *Hon. the Chairman.*] You are the head of the Agricultural Department in South Australia?—Yes.

472. How long have you held that office?—Thirteen years.

473. Can you tell us whether agriculture is progressing in South Australia?—Yes, and has been progressing rapidly for the last five years.

474. How many additional acres have been brought under cultivation within that period?—I do not think the area has appreciably extended within that period, but the progress is due to the improved methods of working and taking advantage of the land to its full capacity.

475. Is there a large additional area available for cultivation within the rainfall district?—Taking the agricultural industry as a whole, I should say there is not much room for further extension.

476. Can you tell us the average yield of wheat throughout the colony?—From 5 to 7 bushels.

477. Have you any knowledge of what the cost of cultivation and of harvesting the wheat is?—There are areas of wheat where it does not cost more than from 7s. 6d. to 10s. per acre for cultivation; there are other areas where it would cost from £1 to £1 5s., and other portions again where it would cost from £2 to £2 10s.

478. What would the yield be on those high-priced areas?—From 25 bushels up to 45 bushels per acre.

479. What has been the average price during the last five years of wheat?—About 3s. per bushel approximately, I think.

480. Would that price pay the agriculturist?—3s. will pay.

481. I suppose the other cereals are grown here as well as wheat?—Yes, such as barley and oats; but the areas devoted to them are relatively small.

482. Are there many root-crops grown?—No. In the County of Grey, in the south-east, there are a few farmers growing rape and kale and mustard.

483. Is rape grown for fattening stock?—It is grown more for the sheep on unhealthy country, and it is to help the "two-tooths" through on country subject to worms, and also for fattening.

484. The next important industry here is viticulture?—Yes; but our wool industry is our greatest one.

485. Is the vine extensively cultivated?—Yes.

486. Is the industry increasing?—Slightly, within the last year or two. Eight or ten years ago it went along with a great jump, and then it steadied down a little, because, apparently, they had enough for the market. But when phylloxera came into Victoria and New South Wales the industry here became scared somewhat. It has not progressed of late as much as it did between 1890 and 1894.

487. Is there plenty of country available for the extension of that industry?—I believe it will be our first industry yet within the agricultural area proper.

488. Is farming carried on in a scientific manner here?—I should say, from my experience here, that the character of the farming as a skilled business is very rapidly improving.

489. Apart from the grape industry, is the cultivation of fruit carried on extensively in South Australia?—Relatively, no.

490. Are there facilities for it?—Yes; the soil and the climate are suitable.

491. Then, to what do you attribute the fact of the industry not being carried on?—The market will not absorb the fruit in a good year like we have just had. We have been sending apples to London. Once the industry is developed it will be most valuable to the colony, provided we can cope with the codlin-moth.

492. Are you much troubled with that here?—Yes, in some districts.

493. Besides apples and plums, are there many other fruits grown here?—We grow chiefly apricots, peaches, pears, and apples. The plum is not grown so extensively.

494. Are those fruits grown in sufficient quantities to justify their export?—Yes. With facilities for drying I fancy we can do a trade in them.

495. Do you grow the small fruits, such as raspberries, gooseberries, and strawberries?—No; it is too hot for them. They are only grown on the hilly areas.

496. *Mr. Leys.*] Do you grow maize here?—Yes, for summer feed for the dairy cattle—not for corn, because our climate is too dry, and it would not fill.

497. If there were no duty on oats in South Australia, do you think New Zealand could ship oats here?—Our consumption of oats is small.

498. What horse-feed do you use mostly?—Bran and wheaten chaff.

499. Then, in that case we could not look for a large market for oats in South Australia?—Not for a large market, I should say, using the term "large" as between countries. If we could get the oats cheaper I do not know but that they would be better, but the duty makes them dear to us.

500. If you required oats could you get them easier from Victoria than from New Zealand?—I think the New Zealand output simply would control the market, and that New Zealand could make the price in Victoria.

501. With regard to dairy produce, do you supply yourselves with that?—We are not doing it at the present time.

502. Where are you importing dairy produce from chiefly?—From Victoria. The cream is coming in, and is being made into butter here.

503. Supposing the duty were removed, would there be any market here for New Zealand dairy produce?—I should say in my official position, I hope not. I hope that our dairying industry will extend, and that we will be able to supply ourselves without having to import at all.

504. Do you anticipate that South Australia will be able to supply herself with all classes of dairy produce, excepting in very dry seasons?—That question is far-reaching. If we could not make sure of getting more than 10d. a pound for our butter it would pay us better to grow wheat and fatten lambs, and let the dairying-work alone.

505. Do you think there would be a permanent market here for our dairying produce?—No.

506. We have had some estimates given us with regard to the cost of cultivating the mallee land: are there large areas of that land in the State?—Yes.

507. What does it cost to put mallee land under cultivation, at per acre?—From 7s. 6d. to 10s., without seed and manure. That price is when the land is cleared, and, of course, it is a very rough kind of cultivation where a man can plough 7 acres a day. One man can do all the work and harvest 300 acres himself of the mallee country.

508. What crop would he expect?—Lately they have taken to the use of soluble manures, and when a sprinkling of that is put on—say, a hundredweight to an acre—the farmer can get from 10 to 12 bushels an acre, and the manure would cost from 5s. to 5s. 6d. The phosphates are simply working a revolution on the poor land.

509. How long can the farmer go on cropping that land?—All I can say is that I have been doing it on the College Farm, which is mallee land, for thirteen years, and in some fields I have used phosphates and nothing else, and in a favourable year I have reaped from 27 to 30 bushels an acre.

510. After working it for thirteen years?—No, working it in wheat one year, leaving it fallow the next year, and cropping the third year. None of our farmers can crop successfully for three successive years.

511. What do they do with such land when they do not crop it with wheat?—They put stock on it, but practically they let it alone to grow adventitious herbage.

512. Is there any legislation against the codlin-moth here?—Yes. Inspectors are appointed, and growers are not allowed to offer fruit for sale that is affected in any way.

513. Is there compulsory treatment in the orchards?—There is washing and syringing, and the Inspectors have to be satisfied that the man is doing his best to keep his orchard clean, otherwise they can make him destroy the trees.

514. *Mr. Reid.*] What do you make your hay-crop from?—Wheat.

515. After the ear has been stripped off?—No. We cut it when it is about a week past bloom, just as it is beginning to fill.

516. During the winter months do you feed your dairy cattle on that hay?—In the winter months they are mostly on pasturage all over the plain country, this being assisted by hay or by bran and chaff.

517. Is the pasturage more than sufficient in a season like this?—Yes. The early winter rains produce sufficient pasturage.

518. Is there any attempt at irrigation, either public or private, in South Australia?—Yes. There is Renmark Settlement (private), on the Murray, and also village settlements on the same river.

519. How are they provided for? Are they regulated by the State, or are they under private control?—They are Government settlements, and were really started as a means of relieving the congested state of the labour-market.

520. How are those settlements worked?—They were started on the community-of-goods idea. I do not think it is being developed. I think they give the settlers so much irrigated country in common with individual blocks of 10 acres.

521. What is this land used for—agricultural or pastoral purposes?—For fruit chiefly—apricots, peaches, and raisin-growing.

522. Does it come within your department?—No.

523. *Mr. Beauchamp.*] When I was in Germany, about three years ago, I was told by a friend, a large merchant, that he found a large market in South Australia for chemical manures—Thomas's phosphates, &c.?—I do not think there has been so big a market for Thomas's phosphates, or that South Australia will ever be so big a market for it as for superphosphates.

524. Do you import your phosphate for the farm, or do you make it here?—It is chiefly imported from London or Belgium. Some is made here.

525. Are the Government freezing-works under your control?—No.

526. I suppose you do a considerable business in drying and canning fruits in this colony?—We have tried shipping them to London, and we turned out a high quality—equal to the Californian; but we do not do very much in that direction.

527. Do the Government have Inspectors who give instruction in respect to the cultivation and grading of fruit?—Yes; there is a Government expert in this department who goes round lecturing and instructing the settlers. We have a fruit expert, and a dairy expert, besides the Government viticulturist.

528. Is it a fact that butter is sold here at 10d. a pound?—Yes, at times.

529. Is that due to the development of the factory system?—This system makes the price less fluctuating.

530. Does that pay the dairymen under the factory system?—In the favoured areas where pastures last longer it seems to pay, but is less profitable than wheat and sheep on the drier country.

531. In the case of butter sent to the Old Country, would not the charges have to be deducted? Would it net you 10d.?—A little less than that.

532. You would think 10d. in London very satisfactory?—No; but it is a means of relieving a glut.

533. How much milk does it take to make 1 lb. of butter?—From 2 to 2½ or even 3 gallons.

534. *Mr. Roberts.*] You mentioned that you did not think that there would be any increased area under cultivation for agricultural purposes?—No; I think it will decrease.

535. Do you think the production of wheat will continue on the present scale?—I think we shall grow half as much again as we grow now, by reason of the better system of cultivation that is being engaged in.

536. I see you export raisins to some extent to New Zealand: is that trade carried on extensively?—No.

537. Can you explain why the bread is so very dark here?—I am not inclined to admit that it is dark.

538. It is distinctly darker here than in New Zealand, and we were told in Melbourne by a large miller that he imported wheat from New Zealand for the purpose of improving the colour of the flour?—I think you cannot beat the South Australian colour, and, in fact, I do not think there is any place in the world where they can beat it, except, perhaps, California.

539. At the same time, it might not make a good-coloured bread. You mentioned that the cost of manure was about 5s.—for phosphates—per acre?—Yes, from 5s. to 8s. 6d.

540. And that the cost of cultivation was 10s. per acre: so that it costs you something like 15s. per acre, and you produce how many bushels per acre?—8 to 12. But 15s. is the very minimum.

541. So that the cost of production for wheat is, assuming your lowest figures to be correct, about 1s. 6d. a bushel?—That is pretty near it for the very lowest cases, but 2s. to 2s. 6d. generally.

542. Have the Government here any State farm?—They have an Agricultural College Farm of 1,400 acres.

543. So that they can teach their young men who wish to learn the art of farming?—Yes.

544. *Hon. Captain Russell.*] I notice in Mr. Coghlan's book that the average yield of wheat in South Australia is stated at 4·69 bushels: is that based on correct information, or is it a mere estimate on his part?—It is from Government statistics and the statistics that were gathered by one of the newspapers for a number of years when the Government were not compiling the statistics. Now that the Government are doing it the newspaper's figures would not be taken.

545. He states that the average last year was 4·64 bushels: do you assume that to be based on the Government returns?—Yes.

546. Do you imagine that those 4·64 bushels produced a profit, or was there an actual loss to the State in producing them?—There was not a loss to the State; but that low average caused great distress in the northern districts, where the settlers were reduced to getting the seed-wheat from the Government. It was the total failure of the rainfall over this large northern district that brought down the average in the wheat-crop for the whole colony.

547. Assuming those figures to be even approximately true, do you think the State gains or loses by wheat-cultivation in the case of South Australia?—It gains by it. I do not think great stress should be laid on those figures, because a lot of this country that is said to be ploughed and sown is simply harrowed, and when the rain comes the wheat is simply thrown over it; and if the farmers get 3 or 4 bushels to the acre it pays them.

548. What is the first cost of cultivating a piece of the mallee country?—On land within fifty miles of Adelaide, and near a railway, you could get it cleared right out for the timber—that is, it costs you nothing to clear the land. If you are away from the railway, and where you cannot sell the timber, and want it grubbed right out ready for the plough, it would cost you £3 an acre. Other places it is rolled down, burned, and worked with stump-jump implements for £1 to £1 10s.

549. What does the land stand the ordinary farmer in?—£2 to £3 5s. an acre to purchase cleared.

550. And the ploughing: what does he pay for that?—You would get it ploughed for 2s. 6d. or 3s. I do not know of any work having been done by contract. There are a few men who have large areas and who are getting their crop put in under the share system—that is to say, they supply the seed and the land and get half the returns.

551. When a man has taken his first crop of wheat off, what does he proceed to do with the land?—He will leave the stubble standing in the field, and when the rain comes a lot of herbage springs up in the shape of wild oats, wheat that has been dropped in the stripping, geranium, and Cape-weed. Over this he runs his ewes, or ewes and lambs, right through till the next year, when he wants to fallow it—until next June, a year or fourteen months altogether.

552. Take 1,000 acres of wheat land: how many sheep would he run over that for the fourteen months?—From a thousand to twelve hundred for the whole of the time—that is, provided he has been using phosphate manures. If he does not use phosphates I do not think he would run more than five hundred sheep. If you take in the mallee land the number will be lower, because then he has not good stock-carrying land, though the use of artificial manures has brought about a large increase in the stock-carrying capacity of that land.

553. Does not the stock do the land a considerable quantity of good, besides the phosphates?—Yes.

554. How long can he go on doing this?—For evermore, as far as my experience indicates. I might tell you that when I started to work on the College Farm we could only raise 12 bushels to the acre, whereas this year the average was 26 bushels.

555. What was in that land the year before?—It was bare fallow.

556. What do you do to it when you plough it?—We plough it up and scarify it, and in September, or as soon as we can get on to the land to work it properly, we may put in a little sorghum; but most of the land will be left bare. That will last until the summer, when we work it with the harrows, and scarify if necessary. With $1\frac{1}{2}$ cwt. to 2 cwt. of phosphates to the acre, it costs from 8s. to 9s. per acre for manure.

557. Do you make any use of the straw at all?—In my own work I do, and I find I can deliver it and sell it in Adelaide at £1 5s. a ton pressed; but farmers have not adopted this plan.

558. Can you tell us how the settlement at Renmark is getting on?—As this matter is now one of practical politics I prefer not to answer.

559. *Hon. the Chairman.*] Is there any matter in connection with your department that would be of advantage for us to know and which we have not questioned you on?—As a general principle, I think that a country with the moisture New Zealand has might do something here with barley and oats.

HENRY DAVIS examined. (No. 237.)

560. *Hon. the Chairman.*] What are you, Mr. Davis?—Manager for G. R. Wills and Co.'s boot-factory.

561. What number of hands do you employ?—About two hundred and fifty.

562. How long has that factory been established here?—About thirty years.

563. Are your operations increasing?—Yes.

564. What is the average rate of wages paid to the adult males?—£2 2s. for forty-eight hours per week.

565. Are there many boys employed?—Not many; about 20 per cent. of the number of the men.

566. How do you pay for overtime?—The usual standard time. They get the usual rates.

567. Is there much machine-work in your establishment?—Yes.

568. Do you find that the boot-market is affected by the American importations?—Yes, but not so much as it was.

569. What do you attribute that to?—The competition of the American goods spurred us on to greater efforts all round.

570. What leather is mostly used by you?—We use all kinds. We get the American, German, and the New Zealand; but the most of it is made in the colony.

571. With intercolonial free-trade do you think your trade with the other States will be affected?—I have no doubt that we shall get competition from the other large establishments of the other States, and I am afraid they will affect us adversely. We do not export to New Zealand, and I know of no other manufacturers here who do. We have had a great deal of trouble with our men, and we had a very big strike four or five years ago, when the union was destroyed. Since then we have got on all right.

572. Speaking generally, is the boot industry increasing or decreasing?—It is increasing.

573. *Mr. Roberts.*] Do I understand you to say that since the strike the union has discontinued operations?—Yes.

573A. And have they not reorganized again?—Recently.

574. *Mr. Millar.*] Do you work on the piecework log or weekly?—On the weekly system.

574A. What is the minimum wage paid?—It depends on whether you are able to get the value of each particular man. We pay the men according to their value. We have no minimum or maximum wage. I am paying from £1 5s. to very poor hands, whom, of course, we will get rid of immediately the Minimum Wages Act comes into operation. I am paying £2 5s. down to £1 10s., but, then, again, to men of better capabilities from £2 10s. to £3, and four or five leading hands £3 5s. a week.

575. Then, the wages you pay must be on an average higher than those paid in Victoria?—I do not know, but the manufacturers I meet from there say that their minimum is £2 2s. a week, so that it would be a difficult thing for me to answer the question without having a practical knowledge of the Victorian rates.

576. You do anticipate competition under intercolonial free-trade?—I do, because if you take the four other colonies of Australia apart from New South Wales and Victoria you will see that they are not sufficiently extensive to enable more expensive plants than we have now to be laid down, because a larger output is necessary to do that, and when you have the machinery it must be kept going. What I fear will happen is that the larger concerns will send their surplus goods over here and sell them a little below actual cost in order to keep their machinery going. Their fair competition we do not fear, but we do fear the competition of the larger colonies in the way mentioned. We know this is done in England constantly, where the factories are kept in full work, and where they send up to twenty thousand pairs of boots out to be sold at almost any price in order that they may keep their factories going. I anticipate that the same thing will happen in connection with the bigger establishments of the other States.

577. *Mr. Leys.*] Do you specialise in your bootmaking?—We cannot, because we have such a small population that we have to turn out anything. With a very large population the factories can specialise and make one class of boots only, but here we are making men's, women's, and children's boots in tremendous variety, and this, of course, makes it awkward for us. With a

large factory running only two lines, as they do in America, they can turn out enormous quantities at a comparatively small cost, and that is where the advantage of specialising comes in, and where our difficulty lies.

578. And you think the same thing will arise in Sydney and Melbourne?—I can hardly say it will arise, because I do not think the population is large enough, or will be as large as it is in America. All our large factories might specialise, however, in regard to men's, women's, and children's boots.

579. How do employers here view the Factories Act?—Employers are against the Act, because there is a provision which says that any employé who may have a grudge or any ill-feeling against his employer can hatch any charge, and the Act puts the onus of rebutting that charge on the employer. The employé has not to prove his charge. That is the worst feature of the Act.

580. But is there no advantage in fixing a uniform wage which would apply to every factory?—That would be an advantage, but the difficulty lies in fixing the minimum.

581. What do you think the tariff is likely to be under the Commonwealth?—I understand that there is to be one duty under the Federal tariff. I think it is 15 per cent., and that will apply to manufactured goods as well as grindery and leathers in our trade. If we had a 15-per-cent. duty on our grindery and leathers and on everything we have to obtain in connection with our trade we certainly would have no advantage at all. We have to manufacture goods against the European workers, and we have to pay 50 per cent. more wages; so that with only 15 per cent. on made-up goods we cannot compete against it.

582. *Hon. the Chairman.*] Assuming that there is a 15-per-cent. tariff, do you think that America will be able to compete against you?—I do, on the lines I have been explaining.

583. If that is so, what is the result going to be to the colonial factories?—We shall be reduced to making the most common lines. It will pay our people to import the better lines under a tariff of 15 per cent.—that is to say, that the prices will come down, and they will be able to buy below the price at which we would be able to manufacture it.

584. *Mr. Roberts.*] What class of New Zealand leather do you use?—Mostly glacé chrome sheepskins. We tried the skins in the raw condition for manufacturing into the glacé leather, which is so much sought after, but they did not go off freely. It is a leather we could use a great deal more of if we could get it.

HON. ROBERT CALDWELL, M.P., examined. (No. 238.)

585. *Hon. the Chairman.*] You are a member of the Lower House of the State Legislature?—Yes. I have been a member of the House of Assembly for seventeen consecutive years.

586. Do you live in Adelaide?—No; I am a country member, living in the Onkaparinga Valley.

587. Are you acquainted with the agricultural and pastoral interests of South Australia?—Yes.

588. Is the agricultural industry increasing here?—It has been during the last year or two; but it was hard hit by a succession of bad seasons. Since the seasons have slightly improved our farmers have resorted to the use of artificial manures, and a better system of agriculture, and a little improvement in regard to the industry has taken place.

589. What grain do you refer to?—Principally wheat; but all grains are similarly affected. Wheat is the only grain that we attach much value to the cultivation of in South Australia.

590. Another principal industry is vine-growing?—Yes, it is an important one; but we have still a lot to learn in connection with it.

591. Is there much dairy production?—Yes, there is a reasonable amount, and much attention has been given to it during the last eight or ten years.

592. Do you export dairy produce?—We have exported during the present season a little over 100 tons. As chairman of the Dairy Board, it has been my business to take an interest in everything relating to this industry.

593. Is that butter or cheese?—I was referring to the butter exported.

594. Do you export any cheese?—No. I am the chairman of a factory that probably produces a larger quantity of cheese than any other factory in South Australia. And when I say we have not exported cheese I mean that we have not directly done so, though I have been informed small parcels have found their way to outside markets.

595. What effect do you think federation will have on the public finances of this State?—My opinion is that it will have a detrimental effect on this State for a few years—that we have little to gain for perhaps five years. I may say that I have never been an ardent Federationist.

596. Do you think this State will be able to bear parting with its Customs revenue?—I think there will be a direct loss for a few years—of perhaps £60,000 a year.

597. How is that to be made up?—I hope the increased prosperity that we have all been expecting will enable us to balance the account. The Customs revenue has been below the average for a few years on account of bad seasons. But with the return of better seasons I think we shall be able to make up the shortage that is likely to result from federation.

598. Supposing you do not realise that anticipation, what is to happen?—It will mean an increase of direct taxation, either on the land or from income-tax.

599. Are there many public works that require to be taken in hand here, or are they all finished?—I cannot say we have finished all our public works, because we have in hand at the present time two water schemes—one the "Barossa," and another known as the "Bundileer"—the completion of which will take two or three years yet.

600. But those are works which will be reproductive, are they not?—I do not expect them to be reproductive for many years.

601. Do you not think that the State will have a difficulty in borrowing money when they require it, seeing that a part of the Customs revenue will be handed over to the Commonwealth,

and that that is the principal security?—That is my apprehension. But hitherto we have had no trouble in borrowing money.

602. *Hon. Major Steward.*] You said that in the event of there being a shortage in the revenue the deficiency would have to be made up by an increase in the income-tax or the land-tax?—Yes.

603. On what amount of income does the tax fall at present?—On incomes exceeding £200 a year.

604. What is the total return from it?—As far as my memory goes, about £80,000 or £100,000; actually £93,820 for 1900.

605. Is the landed tax a progressive one?—Yes; $\frac{1}{2}$ d. in the pound on aggregate values not exceeding £4,000, and steadily increasing on the higher values. The greatest amount realised by it, I think, was about £120,000.

606. So that an increase of something like 20 per cent. would overtake the shortage, supposing there is a shortage in your revenue?—Yes.

607. *Mr. Leys.*] Is this a good producing country?—Not as a rule. The northern districts can never be expected to produce the best quality of oats in any quantity, but the southern districts are fairly reliable. The district of Onkaparinga, where I live, will compare favourably with the average producing districts in New Zealand.

608. Do you think that ultimately South Australia will become self-supporting in dairy products?—I see no reason why she should not.

609. Do you think that if the duty were abolished New Zealand would have any chance of finding a permanent market here for dairy produce?—I think New Zealand would always have a chance for a market, because a large number of our people favour foreign importations, and in the case of butter and cheese the preference would certainly be given to the New Zealand article.

610. But as a matter of capacity you think that South Australia ought to be self-supporting?—I see no reason why it should not be.

611. Would there be a large market here for New Zealand oats under intercolonial free-trade?—I cannot say a large market, because the colony has not been progressing during the last few years as we could have wished. Had there been the progress we had expected, there would have been a large demand for New Zealand oats, because our climate is not favourable for the cultivation of oats.

612. Could we land oats in Adelaide to supersede the horse-food at present in use?—I think that if the duty had been removed a larger quantity of New Zealand oats would have been imported during the last few years. The duty is about 9d. a bushel.

613. Can you give us any idea as to the extent of the market we might expect?—I have not considered the question from that point of view.

614. Can you tell us what average yield of wheat per acre would pay?—That all depends on the price of grain. Our farmers could make 6 bushels to the acre pay very well provided the price was 4s. a bushel.

615. We will say 3s. a bushel?—Some of the farmers here could live fairly well on 6 bushels at 3s. a bushel.

616. You say you have not been an ardent Federationist? Can you suggest any advantages that New Zealand would gain by coming into the Commonwealth?—My impression all along has been that New Zealand would gain more than any of the Australian Colonies, because you have a climate favourable to the cultivation of different varieties of products; and I think you are going to be a large manufacturing people in time to come, because you have such wonderfully valuable natural resources in the shape of water-power, and in the command of cheap coal. I was struck with the advantages that New Zealand had over the other colonies when I was there about two years ago. I then expressed surprise that steps had not been taken by the people of New Zealand to go into the Federation, which has since resulted.

617. Do you not think, as far as our farming products go, that they are very much on the same lines that Australia produces?—I do not think there would be very much to be gained through interchange of products. Of course, it all depends on the seasons here, and on the droughts. I have known times when we have not had a surplus of wheat, and when we had to import it from wherever we could get it, and, of course, when those times come round, facilities for interchange are valuable for both parties.

618. But on the average?—On the average we are able to supply our own wants as far as the principal commodities are concerned. But I cannot say we are always able to do this so far as dairy produce is concerned.

619. From your knowledge of the other colonies, and their producing-capacity, do you not think that would be the case with all of them?—With most of them it may be; and I will not say that ultimately the best growing districts in New South Wales and in Queensland, from what I have seen and read, will be insignificant in their operations. With the development that will take place in these colonies, apart altogether from the Commonwealth, I should say that Queensland particularly will be able to supply herself with the principal necessities of life.

620. Has it not suggested itself to you that our distance is rather a serious handicap to us in that respect?—Oh, no. Your distance is not greater, taking Melbourne as the centre, than either Queensland or Western Australia; in fact, you have the advantage of those colonies by several hundred miles.

621. But I am referring to the central markets, where the population is?—I think you are in a splendid position to throw off your surplus products. Your shipping facilities are improving every year, you have a splendid line of steamers, and are now able to send your goods into Australia very quickly. You have not long distances to traverse with your produce over lines of railway, as in the case in Australia, where damage often results to the goods.

622. With regard to the legislative advantages, can you see any such advantages to New Zealand from federation?—I can see no legislative advantage that will accrue to this State from federation. The only thing is we shall be in a similar position. It may be from want of comprehension that I have not been able to see very great advantages in favour of federation. But, looking at the question all round, I still think that New Zealand would benefit by federation quite as extensively if not more so than any of the Australian Colonies. But legislatively I see no particular advantage in federation.

623. *Mr. Reid.*] You mentioned something about water schemes?—Yes.

624. What are they?—We have dry districts in this colony, and in order to keep the people on the land we have to supply them with water, for the conservation of which we are constructing extensive weirs and reservoirs, which are required for the catchment of the water that may chance to fall during favourable winters.

625. Is that to be managed under Government control?—Absolutely under Government control.

626. Do you charge the people for the water-supply?—Yes; at so-much per thousand gallons. The Government construct the reservoir, lay the mains, and supply the water to the farmers. But it is optional, and they can decline to take the water if they choose. Of course, the service district is rated.

627. Do you take in the streams, or depend simply on the catchment areas?—The permanent streams that would come in would not give us anything like an adequate supply. It would only be during exceptional seasons that we could get the required quantity.

628. Then, when you do take any land you take a large area?—Yes.

629. How do they constitute a water district? Is it on the option of the inhabitants?—Yes; generally on petition. It requires a certain area in order to guarantee that there will be a reasonable return for the interest on the money expended over a given number of years.

630. I suppose there are regulations to provide that one man shall not get more than his share?—Yes.

631. *Mr. Roberts.*] You mentioned that agriculture was not increasing in South Australia?—Yes.

632. I suppose that is owing to the very serious seasons you have had?—Without question.

633. To the enormous loss in sheep and cattle?—Yes.

634. I notice that the average wheat yield has been something under $4\frac{1}{2}$ bushels: is it possible for the industry to continue under such conditions?—No, it is not possible. My surprise is that the farmers have been able to exist, and I say this with a full knowledge of their circumstances.

635. I suppose the lot of the farmers in this country is not a good one?—It has not been lately.

ALFRED ALLEN SIMPSON examined. (No. 239.)

636. *Hon. the Chairman.*] What are you, sir?—Manager of the firm of A. Simpson and Son, tinsmiths and general ironwork manufacturers. We employ between three and four hundred hands, and have no branch anywhere else.

637. How do you think federation will affect your industry?—I think it will lead to a general cutting of prices. We export a good deal to New South Wales at the present time, more especially to Broken Hill. The duty keeps us out of Victoria, but we do a little business with Western Australia. We do not export to New Zealand.

638. What is the average daily wage in your business?—That depends on the nature of the work. We are under several trades as regards wages. The average tinsmith would earn about £2 5s. a week for fifty hours. A great deal of the tinware is made by unskilled labour with machinery. We pay overtime the same rates as ordinary time. In the other branches a tradesman would get £2 8s. a week on the average. A blacksmith would get £2 10s. a week; but we pay more than they do outside, because if our blacksmiths were to leave us to-day we could fill their places to-morrow for £2 a week. We employ a good many boys for making jam-tins and similar work. I suppose for day-work the average would be 8s. a week. I have known a boy knock out £1 a week at piecework.

639. *Mr. Roberts.*] But is not forty-eight hours a week the custom in your trade?—Fifty.

640. Does that extend to most industries?—They vary very much.

641. Is fifty the maximum?—There is no fixed maximum, but I think it would probably be the average.

642. *Mr. Beauchamp.*] Have you had any industrial disputes with your men?—Not within my recollection.

643. Have you abundance of men available for your class of business?—Yes, generally. The supply is quite equal to the demand here.

644. Do you think that with intercolonial free-trade your business would be prejudicially affected?—I think it would be increased very much, but we should have to cut the prices.

645. *Mr. Leys.*] In what direction do you expect your business to increase?—We shall do business in the other colonies.

646. If you cut the prices do you think that will have the effect of cutting wages as well?—It will not if we can help it.

647. But you know it is the custom in all manufacturing countries to have lower export prices than the local prices?—That is the custom in England.

648. Do you think you would export your lines at a lower figure than you would supply them at locally?—Yes.

649. Do you think that if New Zealand federated you would clear similar lines in New Zealand?—Yes.

650. By increasing your output in that way you can, of course, lower the average cost *pro rata*?—Yes.

651. What are the average wages here paid to labourers by the Government?—Outside the Government the average labourer's wage is about 5s. 6d. a day, but in the Government the minimum is 6s.

652. Do you know how the wages in your trade compare with the wages in the same trade in Victoria?—Two years ago, when I made comparisons, I think they were about the same. I compared our wages then with Messrs. Harvey, Shaw, and Co., the biggest tinsmiths in that colony.

653. Do you look with any disfavour on the new Wages Act in South Australia?—It does not affect us at present.

654. But are you not contemplating that it may affect you hereafter?—The consumer would have to pay for it in the long-run. We have always got on very well with our men.

JOHN MARSHALL REID examined. (No. 240.)

655. *Hon. the Chairman.*] You are a member of the firm of John Reid and Sons, tanners, leather-grindery and bark merchants. How many hands do you employ in your business?—We have about 110 at the tannery.

656. What is the average rate of wages paid to them?—About £2 8s. a week for forty-eight hours. About twelve boys amongst that number of men receive 15s. a week, which is the minimum wage. We pay for overtime the ordinary wage.

657. What leathers do you manufacture?—All classes of boot, shoe, and harness leathers.

658. Are there many tanners in South Australia besides yourselves?—There are about five so-called large tanners here.

659. Do you export much leather from South Australia?—Yes; I suppose 40 or 50 per cent. of our output goes out of the colony.

660. Does that apply to the other tanners too?—Hardly. I think they are more connected with the boot-factories than the export trade.

661. Where do you export to?—To the English market—principally to London.

662. Then, you will not be affected one way or the other by federation?—Not a great deal. I think there will be a levelling-down. There may be some lines that may come in from the other colonies against us, but, generally speaking, I think conditions will be equal.

663. Do you export to New Zealand?—No; we import from New Zealand for the factories here that we supply with leathers. We import principally fancy leathers in sheepskins.

664. *Mr. Roberts.*] Do you import salted pelts from New Zealand for tanning purposes?—No. The New Zealand people have perfected them so well that we prefer to import the finished article.

665. I see that a considerable quantity of hides are imported into this colony: are they imported for the purpose of being worked up for further manufacture?—We have to import New Zealand hides for certain purposes, because they are better grown than our hides.

666. We have heard frequent complaints about the want of solidity in the intercolonial leathers: I suppose the tanning is done more quickly than it is at Home?—Yes; there is no time to keep the leather in the pits, simply because we cannot wait for the returns.

667. *Mr. Beauchamp.*] Can you produce as good leather with the wattle-tannage as with the oak-tannage?—Speaking generally, no.

668. So unless we go in for oak-tannage we shall be bound to have to import considerable quantities of finished leathers from the Home countries?—No. I think at the present time the New Zealand people are sending finished leathers to London.

669. What is the duty on our finished articles?—Some are free and some are dutiable, but the bulk of the lines coming from New Zealand are free.

670. Then, duty or no duty, you would continue to import New Zealand leathers for certain manufactures?—I am afraid that the dividing-line is very close; if New Zealand does not federate with us, and she is shut out by the tariff, it will be a question whether England or America will not suit us best, because they can supply just as good *glacé* kinds.

671. *Mr. Leys.*] But you do not anticipate that there will be a differential tariff against New Zealand? Should we not be on the same terms as the English manufacturers?—Yes; but at the present time many of your goods are coming in from New Zealand free.

672. And are not English goods taxed?—Yes; but the matter will be equalised, in which case it will be cheaper to get the goods from America than from New Zealand.

673. Would not our goods be allowed to come in free?—Our tariff was framed in the interests of the manufacturers here, and I do not think it is likely to be repealed.

674. Do you think that the boot-manufacturers in the other colonies will protest against a duty being put upon New Zealand leathers?—It is simply a matter of price to them; but, of course, Bailey and Co., of Dunedin, and Bowron, of Christchurch, have made great strides in the leather industry.

675. What are the wages of labourers here?—6s. is the recognised wage for a day of eight hours.

676. Is that the wage earned in unskilled work?—There is no uniform standard here, but 6s. is the so-called regular workman's wage.

677. It has been stated that labourers' rates are fixed at 5s. 6d.: are there many engaged at work at that price?—No, not many, because there is so very little surplus labour in this colony.

FRIDAY, 12TH APRIL, 1901.

ROBERT WILLIAM SKERVINGTON examined. (No. 241.)

678. *Hon. the Chairman.*] What is your official position, sir?—Manager of the Produce Export Department of the South Australian Government.

679. Of what do the works of that department consist?—We have a plant consisting of one Linde refrigerating-machine, equal to 100 tons of refrigeration, and two Hall's machines, equal to 60 tons, and the works are at Port Adelaide, situated on what is known as the Ocean Steamers' Wharf. They are a Government concern.

680. How are they conducted?—I have brought with me copies of our circulars and last year's report, which I beg to put in before the Commission. They will give you all the information respecting the charges and conditions under which the works are conducted. [See end of evidence.]

681. *Mr. Roberts.*] What is the capacity of the freezing-works equal to?—160 tons refrigeration. With the Linde machine we can treat 2,500 carcasses per day of mutton, and we can store 80,000. With the two Hall machines, which were in use prior to our receiving the new Linde machine, we did 1,500 per day, and stored about 35,000. If the whole storage-accommodation were occupied we would be able to store over 113,000 carcasses. Our principal exports are wine, butter, lambs, mutton, rabbits, poultry, and fruit.

682. *Hon. the Chairman.*] Do the goods you freeze belong to private individuals?—The goods in every instance belong to the producer or the speculator. They do not belong to the Government. The Government do not buy, but make an advance of 1s. a gallon in the case of wine approved of by the Professor of Viticulture, to whom samples are sent before the wine is forwarded to our depots. If he, after analysis, approves of those samples the Government advances 1s. in the gallon on it, and they charge the producer interest at the rate of 5 per cent. For lambs we advance 1½d. a pound.

683. How do you arrange about the insurance?—If we do the whole business for the producer we insure for him. Then all the charges are deducted when the account-sales arrive at this end.

684. What charge is made for the work you do in connection with the matter?—One of the circulars I have put in [see end of evidence] gives full particulars in that respect.

685. How long have these works been established?—About five years.

686. Has it been found to answer well the purpose for which it was intended? Does it pay the Government?—We have paid working-expenses. I have been manager for over four years next December, and in the first year I was afraid of making a loss, but since that time we have been practically paying working-expenses.

687. Are the works largely used by your producers?—Yes. For lambs our season commences in August and will finish about January, according to the season. If it were a good season it would last six months, and if it were a bad season it would last three. The season this year lasted about four months, and we put through 94,447 carcasses of lambs and 7,122 carcasses of mutton. Of fruit, we have shipped up to the present time from the 1st July 13,638 cases, but only one-third of that was fruit going direct from the depot—that is to say, the depot receives it from the producer, the balance belongs to private speculators, and we receive the fruit, cool it, and put it on board ship.

688. Why were these works established?—To find markets for the surplus products.

689. But are there no private freezing-works in South Australia?—There were none here previously, though there are now. Private enterprise was asked to go into this matter, but they did not do it, and that is why the Government took it up.

690. Is it likely to be continued?—It is sure to be.

691. *Mr. Roberts.*] You mentioned that the Government made an advance of 1s. a gallon on wine: does not the enterprise of a merchant cover that business?—All wine sent through the Produce Import Department goes to the London depot, other shippers send to private firms. There is any amount of wine shipped from here by private firms, which we have nothing at all to do with. It does not go through ourselves. We have a depot in London.

692. Then, as to your advance on lambs and mutton, it is only 1½d. a pound: is that the net advance to the producer?—We also return him the whole of the fat and the skins.

693. Is your freight permanently ¾d.?—No; sometimes less. It is ¾d. this year. Of course, if a speculator were to send down 2,000 lambs we would do all the work of slaughtering and freezing for him for 0.35d. a pound, and we have to take care of his skins and weigh his fat. He gets almost everything. The department gets the tongues, sweetbread, and offal, and we return all of the remainder to him.

694. Are your charges for lambs and mutton about the same as they are in New South Wales?—About that. In fact, I think New South Wales has a bit of a pull over us, as they have machinery there for making up the by-products, which I have induced our Government to start at once.

695. What do you do with your by-products?—I have to sell them. We do not manipulate them ourselves.

696. *Mr. Beauchamp.*] With regard to freights, are those net rates, or are they subject to primage?—Those are our net rates. We have no primage.

697. And you say the whole capacity is 80,000 carcasses, or can you squeeze in 100,000?—What I wanted to convey by my first answer was that if we were to occupy the whole of our freezing-chambers as well as the store-rooms we could store over 113,000 carcasses. Last year we were working up to the highest capacity, and we had not enough storage-accommodation, and we had to fill up our freezing-chambers as we went along, owing to the scarcity of fruit.

698. Are you exporting much poultry?—No. It is not likely to be an important industry here. The people here do not take enough care about their poultry to make the industry successful.

699. *Mr. Leys.*] Do you have charge of the butter exported from here?—I only take charge of it in regard to receiving, chilling, and shipping. We have a Dairy Inspector and Instructor, who does the grading, and gives instruction to the farmers, and so on.

700. What is your charge for butter?—So-much a box; it amounts to 5½d. per box.

701. Is the quantity of butter exported increasing?—We have had such a continuation of dry seasons, and, of course, it has reduced the herds, and our exports are nothing like what they are in Victoria. We have not got the country; but there is room for great development, and I dare say the export will increase. We only exported about 312 tons last season.

702. Do you think that South Australia will be able to supply itself in dairy produce in the future, or do you think that New Zealand can find a market for dairy produce here?—I do not think there would be much of a market here for New Zealand butter, unless we strike a few bad seasons.

703. Then, except in times of drought, New Zealand cannot expect a permanent market in South Australia for dairy produce?—I think not, although I should not like to give a definite opinion; but that is my impression.

704. Do you include in your working-expenses the interest on your buildings and the cost of the London depot?—The London depot accounts are kept separate from our balance-sheet; but I might add that the Produce Export Department spends a large sum of money in advertising, and it would not be fair to debit this department with that. On the whole, we return about 5 per cent. interest on the outlay, including the cost of buildings and everything. The London depot has to contend with strong competition from private people, who do not see eye-to-eye with our Government in this matter, and therefore the manager in London has to spend a considerable amount in advertising in order to get business. The London depot is being worked at a loss at the present time.

705. *Hon. Major Steward.*] Do the Government put the Government brand on the carcasses, or is it left to the owner to put a brand on?—Every shipper has his own mark on the carcasses. There is no Government brand.

706. *Hon. the Chairman.*] Can you tell us the value of the fruit exported last year?—£1,836. I have not the exact figures with me; but we have exported 13,638 cases of fruit, the majority of which would be apples.

706A. What is the freight on butter?—¾d. per pound, or £4 5s. per ton measurement.

EXTRACT FROM THE REPORT ON THE EXPORT OF WINE AND PRODUCE (SEASON 1899-1900).—PRODUCE EXPORT DEPARTMENT.

Through the marked increase in most of the exports during the past season the department is again in a position to report a balance on the right side, after having paid outstanding accounts to the amount of £1,004 19s. 3d., which have been in dispute since 1895-96.

The breaking-out of hostilities in South Africa took from the Australian trade many steamers as transports which otherwise would have been available for the carriage of frozen produce. This scarcity of freights for frozen produce not only put the exporters and the department to considerable inconvenience, but also curtailed the supplies, which would have come forward had there been no hindrance in this direction. It is safe to estimate that over 100,000 lambs would have been treated had freights been available as required. Every provision is now being made to meet the coming season's requirements. The department having made arrangements with the Adelaide Steam-tug Company for the carriage of frozen produce from the depot outside to the anchorage in an insulated lighter, which will be supplied with a refrigerant, enables the exporters to take advantage of the mail-steamers and other large ocean-going vessels which do not come up the river, and also in the case of the White Star liners, the opportunity of opening up a direct market with Liverpool and the north of England.

With the advent of increased exports and the promise of good seasons, and the rapid growth in the lamb, butter, and rabbit trade, the department has found it compulsory to still further increase the refrigerating and storage capacity of the depot. It has also been necessary to remove the slaughtering-house from the vicinity of the freezing-works, so that the butter can be handled under the best conditions. With the new arrangements butter for examination will be received in a store directly under the cold-storage chambers, which will be found not only specially clean, but having the advantage of a suitable cool temperature.

A site has been chosen at Dry Creek giving ample room for the erection of a large slaughterhouse and good yarding and paddocking accommodation, besides being an ideal situation for the erection of a plant for the treatment of by-products, without which no freezing-works is complete, as it is the economical treatment of every part of an animal that makes the business a profitable one.

Every year the department is making strenuous and successful efforts to cope with the increasing volume of trade, and during the coming season the department will be in a position to treat 2,500 lambs per day, and store upwards of 80,000 carcasses, besides dealing with large quantities of butter.

Wine.

The vigneron and wine-makers have experienced during the last few years very poor vintages, mainly due to the drought, hailstorms, and frost. This has had the effect of considerably decreasing the export to the London depot during the past year, and shortage of stocks has had a tendency to increased prices, and growers are naturally holding stocks in anticipation of a rise.

As in the past, the wines shipped through the depot during the year have been analysed by the Government Viticulturist, and certified pure and sound before exportation; 51,152 gallons have gone forward during the last twelve months, as against 141,652 gallons for the previous year.

Rabbits.

Year by year this trade expands, and the exports for the past twelve months have been 520,662 rabbits, against 396,370 for the previous like period.

Lamb, Mutton, and Pork.

The anticipations of a marked increase in the output of lambs during the past season were more than realised, and it will be seen by the following figures the progress the trade has made since its inauguration in this colony:—

Season.	Lambs.	Mutton.	Pork.	Value.
	Carcasses.	Carcasses.	Carcasses.	£ s. d.
1895-96	1,751	1,028	132	2,362 8 7
1896-97	10,606	675	10	5,122 16 9
1897-98	9,534	463	..	1,691 17 6
1898-99	38,620	2,052	..	22,393 3 6
1899-1900	89,980	1,334	30	49,683 17 3

On the whole, the quality was not up to the standard of the previous season, although several parcels of approved weights and nice shape and quality were received. With greater experience in the lamb-export trade it is hoped that intended shippers will recognise that nothing but first-class quality should be forwarded.

One of the greatest drawbacks South Australian shippers have to contend with is the landing of our frozen lambs on the London market at the tail end of the season, instead of during the spring of the year. It is, nevertheless, an undoubted fact that for nice spring lamb off the milk South Australian should be an easy first.

The possibilities of this trade are great; and extra storage-accommodation, assistance from the exporters in forwarding first-class quality, the determination of the department to do its level best for one and all and stick to quality, "Adelaide lambs" should be sought after by buyers in the Home markets.

Owing to the high prices ruling in the local market for mutton and pork, and the shortage in flocks of sheep, the department has done very little in these lines.

The London lamb-market at times during the season has been very disappointing, and it was found necessary to store large quantities, awaiting an improvement in prices.

The department sold through the London depot 4,637 lambs, with an average selling weight of 33.24 lb. per carcase. The price realised for the season has worked out to 3.86d. per pound, or 10s. 7d. per carcase, which, after deducting all charges, leaves a net average of 6s. 4d. per carcase at Port Adelaide. To this, of course, must be added the value of skins and fat, which would probably average 2s. per carcase, making a return of about 8s. 4d. per lamb.

Butter.

The increase in the past season's export again stands out prominently against that of the previous season's, proving conclusively that, given fair seasons, the colony will take that position in the trade which was anticipated when the Government started the industry by giving a bonus on butter exported which came up to a standard for quality, and it is expected that the coming season's quantity will more than equal that of any other season's output. The following list gives the exports made during the various seasons through the department:—

Season.	Quantity.			Bonus years.	Season.	Quantity.		
	Tons	cwt.	qr.			Tons	cwt.	qr.
1893-94	..	224	15	0	1897-98	..	..	..
1894-95	..	598	12	0	1898-99	..	..	166 13 0
1895-96	..	349	15	0	1899-1900	..	..	390 13 2
1896-97	..	70	1	0				

Fruit.

Oranges and Lemons.—During the past season growers were again induced to try the London market with oranges, and the prices realised have plainly shown that there is a payable market for citrus fruits in London; and with the last season's experience before us, and the fact that inquiries for space for larger quantities during the coming season are being made, it may be fairly said that the trade is now passing from the experimental stages to an established business.

The department's shipments of two hundred cases realised a gross average of 14s. 2d. a case, prices ranging from 11s. to £1 per case. The average charges amount to 4s. 8d. a case, making a net return of about 9s. 6d. per case.

Apples, Pears, and Grapes.—Of these, apples have been the principal export, growers only just sending test cases of pears and grapes, with varying success. Some have turned out all right, while others are partly or wholly wasted.

The number of cases exported through the depot this season compares unfavourably with past seasons; but the colony's total output is the highest on record. This is accounted for by the fact that there are now other exporters who are pushing their business and are willing to speculate in freight, without which there is no likelihood of getting regular shipments, as Tasmanian growers are only too willing to engage all available space months ahead.

The department is not able to engage space at least four months ahead for growers who are not in a position to give an assurance of filling such space, and are therefore at a disadvantage compared with exporters who buy fruit outright; and it was often the case that consignments were offered the department, but no suitable space could be secured.

The prices realised for consignments, the sales of which are to hand, have been very satisfactory, reaching the high level of last year's sales.

To the Hon. Minister of Agriculture.
21st August, 1900.

R. W. SKEVINGTON,
Manager of Produce Export Department.

Exports of Produce generally from 1st July, 1899, to 30th June, 1900.

	£	s.	d.		£	s.	d.
Meat—89,980 carcases lamb = 3,113,674 lb.	49,663	7	9	Poultry—8 crates = 74 fowls ..	40	0	0
" 1,334 " mutton = 64,783 lb.				" 8 " = 96 ducks ..			
" 30 " pork = 2,642 lb. ..				" 9 " = 61 turkeys ..			
Rabbits—21,065 crates = 520,662 rabbits ..	13,016	11	0	By-products—13,126 dozen kidneys	345	2	6
Wine—51,152 gallons ..	7,246	10	8	" 3,130 lb. sweetbreads	7	10	0
Butter—15,627 boxes = 875,112 lb. ..	43,755	12	0	Sundry—45 kangaroo-tails, 48 haunches..	185	0	0
Fruit—2,120 cases apples	1,836	0	0	" 28 cases apricot-pulp, and 120	6	0	0
" 321 " oranges				" cases preserved meat	150	0	0
" 1 " lemons				" 1,472 lamb-plucks ..	6	0	0
" 4 " pears							
" 2 " grapes							
					£116,132	3	5

Of the above, the following particulars refer to consignments forwarded for sale through the London depot:—

	£	s.	d.		£	s.	d.
Meat—4,539 carcases lamb = 150,556 lb.	2,425	16	4	Poultry—7 crates = 59 fowls ..	30	0	0
" 48 " mutton = 4,930 lb.				" 8 " = 96 ducks ..			
" 30 " pork = 3,642 lb. ..				" 4 " = 26 turkeys ..			
Wine—51,152 gallons ..	7,246	10	8	By-products—13,126 dozen kidneys	345	2	6
Butter—2,573 boxes = 144,088 lb. ..	7,204	8	0	" 3,130 lb. sweetbreads	7	10	0
Fruit—2,120 cases apples	1,836	0	0	Sundries—45 kangaroo-tails, 48 haunches	35	0	0
" 321 " oranges				" 28 cases apricot-pulp = 28 cwt.	150	0	0
" 1 " lemons				" 120 " preserved meat			
" 4 " pears							
" 2 " grapes							
					£19,310	17	0

DEPARTMENT OF AGRICULTURE.—PRODUCE EXPORT BRANCH.—REGULATIONS FOR RABBIT EXPORT, SEASON 1900.
Adelaide, 20th March, 1900.

Rabbits.

1. Rabbits to be forwarded to the depot must be trapped or snared (not shot), killed, bled, and gutted; kidneys being left in the carcase. The carcases must be perfectly clean and in good condition. They should be packed in crates specially provided with two sticks, running the length of the crate, on which the rabbits are hung in pairs. Sample-crates can be seen at the depot.

2. It is advisable when forwarding rabbits in the summer months that care should be exercised in not overcrowding the crates. The average crate holds about from twenty-four to twenty-seven pairs; the larger quantity in cold weather, the smaller in hot. The department must be notified when a consignment is being forwarded to the depot, giving full particulars of the number of packages, brands, contents, &c., otherwise the consignment will not be received. Consignments should be forwarded so as to reach the depot not later than Friday of each week when practicable.

3. All consignments shall be sent direct to the Government depot, Ocean Steamers' Wharf, Port Adelaide, and delivered there, carriage-paid.

4. Shippers should make arrangements to have their rabbits carted from the Port Adelaide Station, immediately on arrival, to the depot; this is absolutely necessary for the preservation of the rabbits. The cost of receiving and storing rabbits arriving on Saturday evening for cool-storage to be paid for by exporter. No tainted rabbits will be allowed in the chambers, and will have to be thrown out by the exporter. Crates must have a label attached to them, legibly branded, so as to avoid mistakes.

5. The department's grading regulations—First furs to weigh $4\frac{1}{2}$ lb. to 5 lb. and over per pair; second furs to weigh not less than 4 lb.

6. These grades will bear the Government "Approved for Export" brand. Each exporter must adopt a shipping-brand to be put on his crates before they go into the freezing-chamber. The department reserves to itself the right of accepting or rejecting consignments, and nothing will be accepted for export unless of the most approved quality.

7. The exporter will be allowed to grade his own rabbits, the department paying the exporter for such work at the rate of 10s. per hundred transit crates. Transit crates to contain not less than twenty-four pairs of rabbits.

8. Rabbits graded by the exporter will not bear the Government "Approved for Export" brand.

9. The cost of any additional branding to be paid for by the exporter.

10. All rejected rabbits shall be dealt with promptly by the shipper or his agent, and cleared away before noon each day. This order must be strictly complied with by the shipper or his agent. Persons having their produce rejected will have no claim on that account against the department. All rabbits packed for export will be placed direct into a freezing chamber, the temperature of which will be kept as near as possible at 10° Fahr.

11. The charges are as follows: For receiving, grading, packing, crates, and freezing, 2d. per pair; wharfage, 1s. 6d. per ton measurement. A crate of furs contains twenty-four rabbits, and a skinner-crate from thirty to sixty rabbits.

12. In the case of persons so desiring, the department will undertake all services connected with the shipping, insurance, and sale of rabbits or any produce consigned through the export depot, and as soon as the account-sales are received, copy thereof, together with a remittance for the net result, will at once be forwarded to the owner of the goods.

13. Rabbits held over from shipments at the option of the department may be stored over the month at the rate of 1½d. per crate per week.

14. The department reserves to itself the right of engaging freight by any steamer for any exporter should the necessity arise, in order to prevent a block in the storage-chambers.

15. Directly rabbits are graded as skinner the exporter must have a man to attend to the skinning, and the department will only take delivery of skinner coming up to the standard. All rabbits received in quantities insufficient to fill a crate will be placed in a cool-storage at consignor's risk, and await further consignments to make up full crate.

16. Receipts will only be given for full crates.

Hares.

17. Hares should be trapped or snared (not shot), killed, but not gutted. Care should be taken to keep the fur clean, as blood or any other disfigurement of the skin militates against their satisfactory sale. The carcasses, immediately on being killed, must be forwarded to the depot by quick train.

18. The charges for receiving, grading, packing, crates, and freezing has been fixed at 2d. each.

PRODUCE EXPORT DEPARTMENT.

Adelaide, 1st August, 1900.

Butter.

1. The depot will be open Mondays to Fridays, inclusive, from 7 a.m. to 4 p.m., and on Saturdays 7 a.m. to 12 noon.

2. The charges will be as follows: *Butter*, 5½d. per 56 lb. box. This includes receiving, chilling, and delivering to lighters at the depot.

3. An additional charge of 1s. 6d. a ton measurement will be charged for wharfage.

4. Eleven days' storage will be allowed for butter for export beyond the Australasian Colonies, and six days when for intercolonial or inland trade.

5. An additional 5½d. per box per week or any portion thereof will be charged when the butter remains in the depot longer than the above-stated time.

6. A new contract, commencing from October, 1899, has been made between the shippers and the P. and O. and Orient Steam Navigation Companies, by which the freight to London is ¾d. per pound (net weight) from the wharf, Port Adelaide, for butter in rectangular boxes containing 56 lb. each.

7. Shippers desirous of availing themselves of the facilities offered are requested to sign a copy of the agreement (if they have not already done so) in triplicate. Contract forms can be had either direct from the shipping companies or through this department.

8. In the case of persons so desiring, the department will undertake to make freight engagements on their behalf; but, as the department will be held responsible for all the freight on any space applied for, no application from intending shippers will be entertained unless made on the application form marked "A," supplied by the department. This renders persons applying for space liable for freight due on that which may be allotted to them, or any portion thereof.

9. The department will also undertake the chilling of butter for shippers who wish to make their applications for space direct to the shipping companies, in accordance with the charges and conditions stated hereon.

10. Notice of space required must be given to the mail companies by the department not later than 4 o'clock p.m. on the fourteenth day prior to date of sailing of the vessels from Port Adelaide, and only such space will be secured as the department may receive applications for by noon on the fourteenth day prior to the date of sailing—viz. Thursday of each weekly mail steamer; but in the event of the shipper or agent being unable to fill the space allotted to him, he shall be allowed to substitute other butter, or to transfer the balance of space to other shippers under the same conditions.

11. In the event of the total space applied for exceeding that available, a *pro rata* distribution will be made amongst the various applicants.

12. Butter for shipment must be sent for examination to the refrigerating-chambers, Produce Export Depot, Ocean Steamers' Wharf, Port Adelaide, and, in order to give ample time for examining and chilling before being tendered for shipment on the following Wednesday, the butter must arrive thereat at least six clear days before the day of sailing of the vessel by which it is intended to be shipped. The sailings are every Thursday, and all butter should be at the depot on the previous Friday at latest.

13. Every person sending butter for shipment through this department shall forward to the manager an advice note on the form marked "B." The department will then undertake the chilling and shipment.

14. With a view of economizing space in transit, it is specially desirable that packages of a uniform size should be used. Sample-cases most in favour with buyers can be seen at this department. The inside measurements are—Butter-cases, 12 in. by 12 in. and 12 in. deep, weighing from 11 lb. to 12 lb.; cheese-cases, length 22½ in., diameter 13 in., weighing 19 lb. to 20 lb., ends 1 in. thick, centre ½ in. thick, sides ¾ in. thick.

15. It is specially desirable that only well-seasoned timber be used for butter-boxes, as mildew rapidly develops and affects the butter where improperly seasoned timber has been used in the manufacture of the boxes. Badly nailed, indistinctly branded, second-hand, or soiled boxes will not be shipped. The timber recommended for butter-cases is New Zealand white-pine or kauri, and for cheese-cases, Oregon.

16. The butter-boxes must be lined with the best waterproof butter-paper, and put in the box in two pieces only, so that the solid square of butter may be shaken out with the paper adhering to it. Each box should contain 57 lb. of butter, which would allow 1 lb. for shrinkage during the voyage. Cheese-cases should contain two cheeses of not less than 56 lb. each.

17. Boxes containing butter must be legibly branded on the top and one side with the name of the factory at which the butter is manufactured; the letters should not be less than 1 in. in length. Each box should also be numbered consecutively as packed throughout the season, and the net weight of butter branded thereon. The figures should not be less than 1 in. in length. Cases containing cheese should be branded in a similar manner to butter. In the case of mixed or blended butters shippers will only be permitted to brand their boxes with letters or figures.

18. Butter should be properly pressed, as it comes from the worker, into one solid block in the box; it should be free from creases, and have an even and smooth surface.

19. The most favourable time for selling Australian butter in the English markets is from the end of September until the end of March, and makers will do well to bear this in mind, as any shipment that might arrive either before or after these months would probably result in disappointment to the exporter.

20. As the voyage takes from five to six weeks under the present conditions, butter cannot be placed on the English market within seven or eight weeks after leaving the factory; therefore all butter should be forwarded for export as soon as possible after being manufactured, and landed in England and sold in the freshest possible condition.

21. In the case of persons having no agents in England, the department will undertake the sale of consignments, and as soon as the account-sales are received a copy thereof, together with a remittance for the net result, will be forwarded to the owners of the produce.

22. The Inspector of butter (Mr. G. S. Thompson) will furnish shippers with any other information on application.

PRODUCE EXPORT DEPARTMENT.

Adelaide, 1st August, 1900.

The rapid increase in the export of frozen lamb, rabbits, and butter through the produce export depot has warranted the erection of increased refrigerating-power, and the extension of freezing- and storage-accommodation. These alterations will be completed during September, and when finished the department will be able to treat 2,500 carcasses per day and store upwards of 80,000.

The removal of the slaughterhouse to Dry Creek will give the department ample accommodation for handling and grading large quantities of stock; it will also remove from the depot all traces of smell complained of in connection with the treatment of butter.

The advantage to the department in removing the slaughtering to Dry Creek should be apparent to all those interested in this export trade, as greater facilities will be given for the treatment of all by-products. It is the economical use of every part of the animal which reduces the working charges to the lowest limit.

Exporters, when forwarding stock by rail, should consign it to the Government Produce Department's Slaughtering-yards, Dry Creek, and drovers, carters, &c., should be instructed to deliver it there. Directions as to route will be furnished on application at the Adelaide office.

Stock will be received at Dry Creek between the hours of 7 a.m. and 5 p.m. week-days, and until noon on Saturdays; but, by special arrangement, delivery will be taken at other times, provided sufficient notice is given at the Head Office, G.P.O., Adelaide.

The port depot will be opened—From Mondays to Fridays, inclusive, from 7 a.m. to 4 p.m., and on Saturdays to noon. Attention is drawn to the following charges:—

Frozen Produce.

1. Lamb and mutton, 1½d. per pound. This includes slaughtering, dressing, weighing, bagging, freezing, putting on board vessels at the depot, freight, insurance (covering all usual risks), and London charges. This is based on a ½d. freight, and any rise in the freight will increase this rate accordingly. This does not include wharfage and storage.

Pork, 1½d. per pound, including the same items as those stated for lamb and mutton.

2. The charge for slaughtering, grading, weighing, bagging, and freezing only will be 0·35d. per pound for lamb or mutton, with a minimum charge of 1s. per carcass.

3. An additional charge of 1s. 6d. a ton measurement will be made for putting on board vessels at the depot, including wharfage.

4. Lamb or mutton held over from shipments at the option of the department may be stored over four weeks at the rate of ½d. per carcass per week.

5. Persons desirous of doing their own slaughtering may deliver carcasses, properly dressed, at the port depot, but no allowance will be made for killing and dressing, and in each case they will be subject to inspection and approval.

6. Advances will be made on produce at the discretion of the Minister, interest being charged on same at the rate of 5 per centum per annum.

7. When the slaughtering is undertaken by the department the fat and skins will be returned to the owner and the remaining by-products become the property of the department.*

8. The department will not be responsible for damages to carcasses, but every care will be exercised in slaughtering and dressing. The department will not be responsible for the correct delivery of skins and fat, and it will therefore be necessary for exporters to have some one to attend to these on their behalf.

9. The department will, however, place with reliable agents for sale the skins, fat, and rejects from the lambs which shippers forward for sale through the London depot.

10. Owing to the difficulties experienced with rejects in past seasons, the department intends storing for seven days after slaughtering, and if the owners have not then removed them from the stores storage will be charged at the rate of 1d. per carcass per day or any part thereof.

11. The department only undertakes storage of rejects when there is ample space in the chambers, and at all times approved produce will have preference.

12. The department reserves the right of varying the number of sheep or lambs agreed to be taken during each day. If any alteration is necessary, notice will be given as early as possible to the consignor.

* That is to say, if the butcher has bought lambs in the market here he may not perhaps like to kill them himself, and he would then be allowed to keep some of the by-products, which in our business we keep.

13. Exporters making their own freight engagements must have a tally-clerk at the depot to attend to their shipments, as the department will only obtain receipts from the ship for the produce for which they have engaged freight. In the absence of such tally-clerks the department will not be responsible for the correct delivery of exporter's produce from the depot.

14. Persons intending to place the whole business in the hands of the department should give early notice, so that arrangements can be made for receiving consignments and securing freight.

15. The department reserves to itself the right of accepting or rejecting consignments, and any lambs or sheep not considered by the department up to the standard in condition, quality, and weight will be rejected while alive. These rejects will be placed in a paddock at owner's expense until he is communicated with as to their disposal.

16. Persons having their produce rejected will have no claim on that account against the department.

17. The department will set apart Wednesday afternoon and Thursday for dealing with lambs purchased in the Adelaide market, and no other bookings will be made for these days.

Poultry.

Must be young. Fowls from three to five months old, well fed, and not under 3½ lb. each, live-weight. Older birds, or those in poor condition, will be rejected by the grader. Ducklings should be from ten weeks to five months old, weighing not under 4 lb. each, live-weight. The younger birds give the better prices. White ducklings are most admired in the English market. Old birds will be rejected.

Goslings should not be over six months old, and should weigh not under 10 lb., live-weight.

Turkeys.—Goblers must not be over ten months old, and should weigh not less than 13 lb.; hens not under 9 lb., live-weight. If young, the heavier the bird is the better price can be got in proportion.

Ducks and fowls, 1s. 1d. each.

Turkeys and goslings, 2s. each.

This includes receiving, killing, dressing, grading, packing, cost of wraps and crate, freezing, delivering to vessels at the depot, wharfage, freight, insurance, but not London charges or selling commission, as the latter varies according to the prices realised.

Poultry will be received alive in crates or other packages, which must not contain less than a dozen birds, although it is specially desirable, with a view to lessening the freight, that larger numbers be forwarded, and that the numbers be made up in dozens.

Empty crates and packages will be returned to the consignors.

Poultry-crates must have a leather or wooden label attached to them, legibly branded, so as to avoid mistakes.

PRODUCE EXPORT DEPARTMENT.

Adelaide, 6th February, 1901.

This department is now prepared to receive rabbits at the depot, Port Adelaide, for freezing and shipment at a charge of ½d. per rabbit, or 1d. per pair, and wharfage 1s. 6d. per ton measurement.

Rabbits must be prepared, graded, properly packed, and branded for export when delivery will be taken at the chamber-doors of the depot.

Exporters must supply their own crates.

The necessary accommodation for treating, grading, and packing will be provided at the depot without extra expense to the exporters.

Free storage will be allowed for four weeks, after which a charge of 1½d. will be made per crate per week.

Rev. JOSEPH BERRY examined. (No. 242.)

707. *Hon. the Chairman.*] You are the Rev. Joseph Berry, minister of the Methodist Church? —Yes.

708. How long have you resided in South Australia?—Eight years. Before that I lived in New Zealand for twenty-five years. I have resided in no other part of Australia.

709. I understand you have paid some attention to the question of the federation of Australia, and have written upon the subject, I believe?—Not much.

710. I would like to ask you whether you are satisfied with the Constitution as it at present exists under the Commonwealth?—Yes, as far as Australia is concerned.

711. Do you consider that the States as they exist at present are likely to continue to so exist, or do you think that they will be ultimately absorbed by the Federal Government?—I think they will continue to exist, but ultimately something might happen like what happened in New Zealand when the provinces were merged into the General Government. I have not thought much about that matter, though.

712. Have you studied the financial aspect of the question so far as the States are concerned—as to how their public revenues will be affected by reason of the Customs duties being handed over to the Federal Government?—No. I do not consider myself an expert on questions of that kind.

713. Do you consider it expedient for New Zealand to join the Commonwealth?—No, sir; at present I do not.

714. Are there any advantages which suggest themselves to you that New Zealand would enjoy by joining the Commonwealth?—I think not, at present.

715. Do you think that the distance of New Zealand from Australia would be prejudicial in any way to her Government administration through it being carried on from the Federal capital?—Well, there are two sets of opinion about that. Some regard the distance as a serious matter and some regard it as a mere nothing. I think, whichever way you take it, the best thing for New Zealand to do is to remain as she is, whether the distance is little or much. Then, I think you will feel the magnetism of the larger body, as Canada does that of the United States, and you would be wakened up by federation. If the distance is not serious, then I think that is a good reason for staying as you are. In travelling through Canada I was very much struck with the loss that Canada invariably has to meet through her closeness to the United States. Her young blood is drawn across the border; and if you are as near as some people imagine, then I think you would do better to keep your fences up.

716. You think that there will be a tendency for the young population of New Zealand to be attracted to Australia?—I think there might be if you were brought into too close touch.

717. Do you think the manufactures of New Zealand would be affected by the larger concerns in Australia?—That is a question on which my opinion would not be worth much.

718. Have you studied the statistics with regard to the trade between Australia and New Zealand?—I have to some extent, and I can see that New Zealand ought to buy some things from here, and that we must buy some things from you; but I think that could be arranged by treaty without federation. I am speaking now as in heart a New-Zealander. I am not an Australian, although I live here. And if I were yonder I would not favour federation at present.

719. So far as we understand the matter at present, leaving out the gold duty, apparently there is a balance of trade in favour of New Zealand of some £500,000 a year: do you think that is sufficient inducement for New Zealand to give up her political independence?—I think not. We shall have to buy your oats, because we cannot grow them here.

720. But cannot they grow sufficient oats in Victoria to supply local requirements?—I sometimes think that we in South Australia shall have to buy your frozen meat.

721. But we have just been taking evidence to the effect that you export frozen meat from South Australia?—We have been living on Queensland beef for a good while here.

722. Then, you think that South Australia may be a customer for New Zealand frozen meat?—I am not very serious in the remark I have just made; I have been accustomed to say so playfully.

723. *Hon. Major Steward.*] The Chairman spoke of the balance of the trade as being about £500,000 in favour of New Zealand. If you look at the financial cost to New Zealand of entering federation you would find that she would have to contribute £500,000 from her Customs revenue to the Federal Government. Supposing we had to do that, do you think we should receive any advantage as compensation for it?—I do not think you would, even if you had only to pay a third of the money. Supposing a liberal concession was made to you, I do not see what you would have to gain to put against the outlay.

724. You know our Maori population are treated exactly as ourselves, and you know they do not count for the purpose of election under the Constitution: should we not require to get some consideration in regard to that also?—You would get it, no doubt, because the Australian aboriginal is not to be compared with the Maori, as we all know.

725. Do you know anything about the problem of coloured labour in Queensland?—Yes; I have been there lately, and have thought about the matter.

726. Do you think it possible to carry out the promises of Mr. Barton's Government of a "white" Australia?—I think that the policy Mr. Barton has initiated has most seriously discounted the value of federation. I think it is utterly absurd to attempt to govern all Australia, both tropical and temperate, on the same lines.

727. Then, I presume from your answer that you think it is not possible to turn tropical Australia to the best account without the employment of coloured labour?—As far as I can see, it is impossible to turn it to any account without coloured labour.

728. Then, if that is so, and politicians insist on refusing to employ coloured labour, are we to infer that the land must go out of cultivation?—I think that Northern Queensland will very largely go out of cultivation if they stop kanaka labour.

729. Do you think, supposing that were to happen, that it could be a permanent condition of things to allow millions of acres of land to lie idle?—That depends upon how long the people can keep the battle up of trying to fight God Almighty. He has made tropical lands, and men suitable for cultivating them. I do not know how long men can keep the battle up.

730. That is to say, that natural laws must be superior to human laws?—Certainly. I think the policy of a "white" Australia is ridiculous.

731. *Mr. Leys.*] Do you think, from your observation of people, that the development of national life is likely to be different in Australia from what it is in New Zealand?—Not of national life, but there is a distinct type in New Zealand.

732. Do you think that that type is likely to differentiate more as time goes on from the continental type?—I look at New Zealand, and I find the bulk of the people there living on the sea-coast accustomed to the sea as much as to the land. I find them yeomen cultivators, having small holdings that yield them a good income, and I find in New Zealand a climate singularly conducive to health. I find there the condition of things in which the advantages of life are more equal than over here. I think New Zealand will develop that type.

733. You do not see any advantage for New Zealand in federation: what are the disadvantages you see?—In the first place, look at your country and note that you have always been apart, yet in the matter of trade we have had, in every sense, a union between Australia and New Zealand. I look at your wonderful growth, and I think that you are going ahead now more than any other State in Australia except, perhaps, Queensland. I look at your population-carrying capacity, and I think that fifty years hence New Zealand will double the population of any State in Australia. I think it may have as large a population as Australia itself. Your carrying-capacity per acre is immeasurably beyond that of Australia. Why should your Governor be subservient to the Governor-General here, or your Parliament be subservient to the Federal Parliament here?

734. *Mr. Luke.*] You have given some attention to the social question too, have you not, Mr. Berry?—I have.

735. What is your opinion as to the social conditions here as compared with those in New Zealand?—New Zealand has altered a great deal since I left eight years ago. There has been a good deal of social development since that time.

736. Is there nothing here, in your opinion, in the matter of legislation that compares with the progressive legislation passed in New Zealand since that time?—I would not say that.

737. Is the condition of the working-classes here as good as it is in New Zealand?—I think not, partly because house-rents are higher here—that is due to your wooden houses. Food is dearer here. We pay 1s. for New Zealand bacon and 1s. for New Zealand cheese. We cannot produce much cheese or bacon of our own. I think a working-man can get on his feet sooner in New Zealand, because the land is more productive, as 5 acres there will grow as much as 50 acres here. Much of our land here is comparatively worthless.

738. Is there much general discontent among the working-classes in Australia?—There would be if they saw New Zealand.

739. You think our legislative independence is superior to any advantages we are likely to gather from federating with Australia?—I think so. As an illustration, I might say that our Methodist Church is federated throughout the Australasian Colonies, just in the same way as it is proposed to federate with the States now. We have a general conference, which governs the whole church, including New Zealand. Fourteen years ago the New Zealand conference wanted to do something, but the general conference outvoted it, and the result of that has been disastrous to our church in New Zealand, and I fear something of the same kind might happen in politics. The positions are nearly analogous.

740. And you think our administration would suffer materially, and that many little things would crop up that would be burdensome to the community if we were governed from Australia?—I think the administration might suffer.

741. *Mr. Beauchamp.*] You look on New Zealand as the junior partner, who would be dominated by the senior partner?—I think so.

742. From your intimate knowledge of Australia, would you say that there is nothing like a real community of interest between the two countries?—No; New Zealand people do not read Australian literature, and they do not take much interest in Australia. Their interests are all towards England, from which land they came.

743. Do you think that there is less interest exhibited by Australian people in New Zealand than there is in Australia by New-Zealanders?—Only because New Zealand is smaller.

744. In the event of New Zealand not federating with Australia, do you think that trouble will sooner or later arise between the two countries in respect to the control of the South Pacific islands?—I do not know. I think New Zealand is the natural centre of the South Pacific, and possibly she is entitled to form a Federation with the islands.

745. With regard to the powers of the Federal Government, do you think that they are likely to be enlarged as time rolls on and the powers of the States curtailed?—In the parallel I have suggested, if it can be termed a parallel, that is just what has happened in New Zealand. If the powers of the States were relatively reduced, then New Zealand would be relatively a smaller place than she is now.

746. With regard to the reciprocity treaty: from the feelings that exist in the minds of Australians towards New Zealand, is there any chance of that being accomplished?—I do not know, but I should think so.

747. As far as the Australian Federation is concerned, do you fall in with the idea that, practically, three things assisted the desire for federation—namely, the desire for intercolonial free-trade, the desire to have control of the rivers, and the desire to abolish the differential rates on the railways?—It was the differential rates that were felt most acutely. Any one who has travelled often between here and Sydney and has had to submit to an examination of their luggage by Customs officers and that kind of thing, and other petty annoyances caused by intercolonial jealousy and competition between the States, must have felt their existence to be a disgraceful thing.

MELBOURNE.

SATURDAY, 13TH APRIL, 1901.

Sir JOHN FORREST, P.C., G.C.M.G., Federal Minister of State for Defence, examined. (No. 243.)

1. *Hon. the Chairman.*] You are the Minister of State for Defence in the Commonwealth Government, Sir John?—I am the Minister of State for Defence of the Commonwealth, and I have been a member of all the Federal Conventions since 1891. I have also been the Premier of the State of West Australia for the last ten years.

2. Did not that State for a long time decline to join the Federation?—Well, it never declined to join, but there were circumstances which delayed its joining. First of all, before we had had an opportunity of consulting the people the Colony of New South Wales had decided against the Bill, and as by our Enabling Act it was made obligatory that New South Wales should be one of the federating colonies there was no need for us then to consult the people; and afterwards, when the Premiers' Conference had altered the Constitution, we delayed the referendum in order, if possible, to obtain better terms. When we found that no better terms could be obtained, and that all the other colonies had decided to enter the Federation, we summoned Parliament and referred the matter to the people, who decided in favour of federation under the Commonwealth Bill by a large majority.

3. You mentioned the fact of West Australia wishing to get better terms—those were special terms with reference to Customs duties. Were there any other terms asked for?—Our main request was with regard to the Customs—viz., that from the date of the establishment of uniform duties, and for five years therefrom, we should be allowed practically to have our own tariff, if we liked, with a sliding scale of reduction every year.

4. Was the construction of a railway from Western Australia to South Australia any part of the bargain?—No.

5. As regards the financial aspect of the question, what do you think will be the result of the operation of the 87th clause of the Constitution upon the finances of the different States?—I think that clause will be a protection to the States. It is not so good for the Commonwealth, probably, as we may have to raise more than we want.

6. Why should they raise more than they want?—Because if they want, say, two millions from the Customs they must raise eight millions; and if they want another quarter of a million they must raise ten millions.

7. Have you any reason to suppose that the Commonwealth will not require the whole of that 25 per cent.?—I am inclined to think that the 25 per cent. will be ample for their needs.

8. But will they want the 25 per cent.?—I do not think they will immediately, but I think they will eventually.

9. What do you think will be the effect upon the finances of the States through their having parted with the right to levy duties of Customs?—I think it is a very serious matter. If the power that the Commonwealth has under this Constitution were used mainly for its own purposes without reference to the States it might soon place all the States in a position of great imperilment, but I do not anticipate that they would do so.

10. Do you not think that the smaller States will be placed in some financial embarrassment through the right to levy Customs duties having been handed over to the Federal Parliament?—I am inclined to think they will. Of course, there is the power in the 96th section for the Commonwealth to grant financial assistance to the States.

11. What do you understand by that clause?—It gives the Parliament a free hand.

12. How do you think that assistance will be given?—I have had several interpretations of that clause.

13. Do you think it will be by way of gratuitous money-grants, or by way of loan, or advance?—I do not think it will be granted unconditionally for a moment. If that assistance were granted it would be on terms, probably, by which certain conditions would be enforced, or required, with regard to further borrowing and the construction of public works, and with regard to a *quid pro quo*.

14. You do not think it would be financial assistance in the same way that Western Australia has had special terms granted to it?—It could not possibly be that, because the fundamental principle of the Constitution is intercolonial free-trade. Therefore the Commonwealth has not the power to give any consideration of that sort.

15. I should like to ask you whether you think New Zealand would derive any advantages through joining the Commonwealth?—The only advantages that occur to me are, first of all, the right to send her goods into the Commonwealth—her own produce—free; secondly, that unity is strength, and that for the purposes of defence, and in order to obtain recognition in the world as part of a great southern Commonwealth, it would probably be better for New Zealand to come in than to stand alone.

16. Is Western Australia a fruit-producing State?—It produces all the extra-tropical fruits that the other colonies produce.

17. Do you export fruit?—No, as we have not been producing sufficient for ourselves, the reason being that the population is small, and there are so many avenues for the employment of the people which are more remunerative.

18. As regards agricultural produce, what do you grow in Western Australia?—We grow everything they grow in South Australia and Victoria.

19. Do you grow sufficient to supply all your own wants?—No, we have not enough yet; but we can grow enough, the only reason being that so many people are engaged in mining and other pursuits, which are more lucrative. There is plenty of land available to supply the wants of millions of people.

20. *Mr. Leys.*] The special terms obtained in the case of Western Australia were granted, I understand, because she depended so largely on the Customs duties for her revenue—more so than the Federal tariff was likely to give her?—We have no taxation in Western Australia excepting through the Customs. We have no land- and income-tax, only the municipal and roads taxes, and therefore our revenue is principally obtained from the Customs, and from the renting and sale of land. Of course, we have the railways and the posts and telegraphs, but they do no more than pay their way—in fact, the Postal Department does not pay its way.

21. New Zealand is also depending largely on its Customs revenue. It raises the high percentage of £2 18s. through its Customs, and, in the event of our federating, is it not probable that we shall have to suffer a considerable loss under the Federal tariff?—It all depends upon how much you import from these States, and upon how much the intercolonial duties amount to. They come to £300,000 a year with us, and that will be diminished gradually, and by that time we shall be able to look around and put our house in order.

22. Do you think you will be able to square the finances in five years?—I do not know; but the policy of Mr. Barton is not to impose a land- and income-tax for Federal purposes, and that will leave us free to impose that form of taxation in the State of Western Australia should it eventually become necessary, which I hope will not be the case.

23. How do you propose to carry out your State works under federation?—I expect that we shall have to do less than we are doing now. We have been doing a great deal of work out of revenue. Nearly all our public buildings are constructed out of revenue, and we have more revenue than South Australia has, while our population is only half of hers. I think that under federation we shall have to reduce our departments and State works.

24. There was a report of an interview with you published in the *South Australian Register* lately: was the report of your remarks at that interview with reference to the question of a trans-continental railway fairly accurate?—I did not see the report, but I have no doubt it was accurate, because I was interviewed by a shorthand-writer.

25. That interview, I think, stated that you would regard federation as a failure, as far as Western Australia was concerned, unless the Federal Government undertook the construction of a trans-continental railway: was that correctly reported?—I said unless that railway was constructed

I would consider federation a failure, because Western Australia was isolated in the matter of defence and means of communication, and that such a railway would, in my opinion, assist federation. Western Australia might just as well be an island in the ocean if we have no means of communication. In times of trouble no troops could be sent to our assistance. It is very difficult indeed from a financial standpoint to show the advantages that are going to accrue by federation to a colony like Western Australia, isolated as it is, seeing that it takes four days across the ocean to get to Fremantle. Further, we are not at present exporters of produce, with the exception of timber, and therefore the balance of the export trade is all one-sided.

26. Is not that very much the position of New Zealand?—You are large exporters of produce, and therefore it is an advantage to you to have ports close at hand where you can send your stuff to; but at present we export few things except timber and gold, nearly everything else we are importers of, and in my opinion the advantages of federation from our point of view are difficult to show; but, of course, there are the advantages of having one Government for all national matters over the whole Australian Continent.

27. That is from the sentimental point of view?—Yes; but we are on the mainland, and there are many things which affect us—for instance, the mail-services and telegraphs and railways; and if we were kept isolated and cut off from the eastern part of the continent we would have no influence in obtaining those advantages. In fact, the rest of the continent might rather be against us.

28. Free-trade is the main advantage in the case of New Zealand, is it not?—Yes; and I presume that that is the reason why the Commission has been appointed. I surmise that it would not have been appointed if it were not for the question of sending your produce here free. I do not suppose that New Zealand would care about anything else. She has had a market here of some sort, and naturally does not want it interfered with, and there is always more of an advantage in being a part of a big nation than being a small one on your own account.

29. Assuming that the Federal Government build this trans-continental railway, how is it to be paid for?—I do not know. That is a financial concern; but we are getting information as to what it will cost, whether it will pay, and to what extent. You can hardly judge as yet whether the line will pay by looking at the question from a distance, but there is now a considerable trade on the line already constructed and to and fro in that part of the country, and also between the other colonies and West Australia. Roughly, about forty thousand people travel by sea per year between West Australia and these colonies, and we might get some of them by railway.

30. Have you taken out a rough estimate of the cost of such a line?—We know that it will cost between three and four millions. It is easy country all the way, and it could be built from three points—from Kalgoorlie, Eucla, and Port Augusta.

31. If you got that line I suppose Queensland would want the northern railway constructed by the Federal Government as well?—I do not think so. I do not think Queensland is under the same necessity. For instance, Queensland does not go to Port Darwin. Queensland has to develop its own territory more first. Unless it was decided to make the terminus somewhere at Port Darwin there would not be the same necessity to build such a line; and I do not think the terminus would be at Port Darwin, because it would mean a tropical voyage all the way from Suez.

32. Do you think the other colonies would be inclined to pay the loss on the working of that railway?—I do not know. I do not think they would be. My opinion is that they would not be inclined to pay very much of the loss, but perhaps the loss would not be so great.

33. Do you think the Federal Government would be inclined to take over the tropical territories, and administer them?—I am inclined to think that they will not be very eager to do it.

34. Do you think there will be an effort made to induce them to do it?—I do not think it would be very much of an advantage if they could do it. The tropical parts of Australia are not very productive when worked by white people only.

35. South Australia has already constructed a railway on which she is losing £70,000 a year: I suppose you are aware of that, Sir John?—Yes; it runs through part of a country where there are no people.

36. They seem to be desirous of getting the Federal Government to take over the tropical territory: do you think that there will not be the same feeling on the part of other States?—I do not think so. I do not think there will be any desire on the part of Western Australia to part with her Northern Territory.

37. Do you think that the northern territories can be worked without black labour?—I should be sorry to say that they could not be; but it is not the place people are going to for preference. They like to remain in other parts of the colony. White men work there at gold-mining. If you ask them to go and work on plantations I do not think they will be eager to do so.

38. Do you think that the whites can do the work on the plantations?—I believe they could do it, but they do not like it. White men work at navvying in the tropics, and also at all sorts of farming, fencing, house-building, and similar forms of labour, but it is a very hot, trying climate.

39. At cane-cutting?—The north-western side of Australia is not fit for cane-growing although in the tropics. The climate is not tropical there, and there is scarcely any tropical land that will grow sugar in that part. It is all grown on the eastern side, where the climate is moist.

40. Do you anticipate that the Federal Government will take over the railways, as they are empowered to do with the consent of the States?—I believe the Federal Government would be only too glad to take over the railways if the States would let them, but I question very much whether the States would let them. The railways in Australia are not a burden on the States. The West Australian railways pay working-expenses and interest on the debt, and 1 per cent. sinking fund as well, and in other States those railways that are not paying could be made to do so.

41. Do you not think that that will be the final result?—It might be. It would make the Federation very much more powerful than it is if they had the railways; but if they took over the railways they would have to take the debts with them, because that is how the debts have been created. I do not think the debts will be consolidated until such time as the loans fall due. If you wished to consolidate your loans now the owners would not take less than the market price, but when the loans fall in then will be the time to consolidate. In regard to the Western Australian loans—about eight millions of our debt—although not redeemable for forty years, we have the right to pay off at any time after twenty years by giving twelve months' notice.

42. You can see no saving in conversion until the loans mature?—My own opinion is that people will want the current price for them, and there is no advantage in consolidating until they mature.

43. Do you think there is any likelihood of our being able to obtain a reciprocity treaty in the event of our not joining the Federation?—I should say you would not.

44. Why do you think so?—Because it would be of no advantage. Most people are selfish, and the producers here would say, "We can produce all we want, and more; why should we allow another person to come in here to compete with us when we are producing more than we want already?"

45. But at the present time Australia is sending about a quarter of a million more to us than we are sending to Australia. The balance of trade is against us, excluding gold. Would not she be likely to enter into a reciprocal treaty rather than lose that trade?—I believe if you could show that a reciprocal treaty was to the advantage of Australia they would have one, but not without. I do not think the question of brotherly feeling would come in very much.

46. *Mr. Beauchamp.*] Having regard to the different conditions prevailing in the case of an island like New Zealand, do you think she would be granted special conditions if she desired to come into the Commonwealth?—My idea is that she would have to come in on the basis of the Constitution. There is no power to give her any special conditions—in regard to the tariff, for instance. Take the 121st clause, which says, "The Parliament may admit to the Commonwealth or establish new States, and may upon such admission or establishment make or impose such terms and conditions, including the extent of representation in either House of the Parliament, as it thinks fit." My reading of that clause is that the Parliament can make such conditions as it likes. They may say to you, "We shall give you £100,000 a year for ten years, or we shall give you something else"; but, whatever terms are granted, there could be no concession with regard to intercolonial free-trade, as it is the fundamental principle of the Constitution.

47. In discussing this matter with Mr. Barton, he said that a special concession to suit the exigencies of New Zealand should be granted; and we also drew his attention to the question of a trans-continental railway, and other works in connection with tropical Australia, to which it would be scarcely fair to ask New Zealand to contribute without giving her some concession in return?—What are your views on that point, Sir John?—I think you might say, for instance, that one condition should be that there should be, say, a railway constructed from Auckland, straight as a die, into Wellington. That should be a special condition in regard to anything connected with the construction of public works; but the tariff concession you could not get, as there is no power to give it to you.

48. As regards the tariff, do you think that such a sum will be raised as will enable the Federal Government to return to each State an amount equal to the sum at present raised by the States through the Customs?—We are aiming at that. The Federal Government want to give to the States the same revenue as at present, because the obligations of the States are based on that proposition.

49. Do you think the thirty-nine articles on which the Federal Government has the power to legislate will be sufficient to engage the consideration of that Government for a considerable time? Or do you think that the powers of legislation of the Federal Parliament will, by means of the referendum, be enlarged?—I do not think they will be. I have never heard it suggested that the powers generally granted under this Constitution are not extensive enough.

50. There is no provision in the Act for dealing with labour laws, with a view to making them uniform throughout the Commonwealth: would the Federal Parliament be likely to ask for power to deal with that matter?—It is hard to look into the future, but I have no reason to think that in the immediate future this Constitution is to be materially altered.

50A. In New Zealand there is hard-and-fast legislation with regard to the employment of boy-labour and woman-labour, and as to the hours of work and rates of wages. We have also a Master and Apprentices Act, which limits the number of boys employed. Do you think the tendency will be to level these matters up or to level them down, in the event of the Commonwealth getting the power to legislate on such matters?—I have no doubt the tendency will be to try and get everything you have got in New Zealand if they can.

51. As regards State loans, do you think they will be raised as favourably under the Commonwealth as they were prior to federation?—I am inclined to think they will not. They probably will be able to borrow through the Commonwealth; but I do not think the borrowing of the States will be so extensive as it has been, as time goes on.

52. Do you think there will be as much difference in the case of future Commonwealth and State borrowing as between the loans of, say, third-class municipalities and the Government?—I think it will be better than that. My own opinion is that the change will not improve the borrowing-powers of the State unless the Commonwealth guarantees the loans. Then it will.

53. You have told us that Western Australia is in an isolated position through having no railway communication with the other States of the continent: do you not think that New Zealand is in even a worse position, seeing that she is separated from Australia by twelve hundred miles of sea?—I think that she is at present in just the same position that we are. We are a thousand miles away from here, but we have the hope of being connected by railway, which New Zealand has not.

54. *Hon. the Chairman.*] Do you regard the twelve hundred miles of water between New Zealand and Australia as a drawback to New Zealand entering the Commonwealth?—I should say that it was.

55. Do you not think that there would be very serious difficulties of administration in the case of New Zealand, the Federal centre being so far away?—I do not know that there would be any greater difficulty than in the case of Western Australia; in her case it has to be done by telegraph.

56. Do you think that there is any probability of new States being carved out of Queensland and New South Wales?—I do not think so.

57. As you are aware, we have a penny-postage in New Zealand. Supposing New Zealand federated, would it be possible to retain that system in the colony if the Federal Government did not go in for a general reduction of postage?—It would be a matter absolutely for the Federal Government and Parliament to decide, but I do not think it would be possible or even legal for the Federal Government to have a different postal system in one part of the Commonwealth to what it had in another. The postal system throughout is sure to be uniform.

58. *Mr. Leys.*] Do you think that even if we do not federate any difficulties are likely to arise between the Commonwealth and New Zealand over the South Sea Islands?—I should not think so; but my idea is that the Commonwealth will take all the control they can get. It will absorb everything it can.

59. *Hon. the Chairman.*] Do you think it will absorb the States?—They cannot under the Constitution, but I believe they will in time exercise all the powers that are given them.

60. You do not see any danger of conflict between New Zealand and the Commonwealth over the South Sea Islands?—I do not think so, so long as the Commonwealth has the chief say.

61. They must make that "say" through the Imperial Government, must they not?—They must; but you may depend upon it that they will be listened to the most. That is what I felt all along with regard to Western Australia—that in any questions arising in which the interests of that colony were concerned it would be of no use our trying to stand against the Commonwealth; it would be too powerful for us, and therefore we should have to go to the wall. We would have had the whole of Australia—four millions of people—against, say, two hundred thousand, and how could we have succeeded; and even if the Imperial Government had wished to help the State of Western Australia, they could not easily do so if the Commonwealth otherwise insisted; and your case, though to a lesser extent, is similar.

62. Do you think that, in the event of New Zealand deciding to join the Federation, the Federal Parliament would favourably consider an alteration to the provisions with regard to the inclusion of the Maoris in the races qualified to vote at the Federal elections?—I should say that any legislation in Australia with regard to the Maori race would not be adverse to that race. I do not think that the 127th section was ever intended to apply to the Maoris. I am sure that in framing that clause the Convention never had in their minds the Maori race.

SYDNEY.

TUESDAY, 16TH APRIL, 1901.

RICHARD TEECE examined. (No. 244.)

1. *Hon. the Chairman.*] What are you, Mr. Teece?—General manager and actuary of the Australian Mutual Provident Society. I have lived in Australia for forty-five years, and have held that office for about ten years, but I am a native of New Zealand.

2. Have you taken any part in the Commonwealth question?—Just to the extent that I consider it the duty of every citizen to inform himself on what is going on, and to form an intelligent opinion as to the propriety of the proceedings, or otherwise.

3. Have you perused the Commonwealth of Australia Constitution Act?—Yes.

4. Are you satisfied with the provisions of that Act so far as it relates to Australia?—No; I am not satisfied with the financial clauses. The first objection which I take is to the clause known as the "Braddon blot," which provides in a haphazard sort of way for the return to the States of a certain proportion of the Customs collections without any regard to the requirements of the States. The result of that is that in a State like New South Wales, which obtains, and always has obtained, a large revenue from the alienation of public lands, the amount returned will be a good deal more than is necessary for the legitimate requirements of the State. That will tend, of course, to the growth of extravagance in administration, and to, possibly, corruption in political life, and to that extent I think it is extremely prejudicial, and it is in the highest degree unscientific.

5. But in that case will not New South Wales be able to do without the other taxes which she raises at present?—No.

6. What is the alternative which you suggest to the "Braddon blot"?—To enact such provisions as would return as little as possible to any of the States—that is, to absorb in the Commonwealth as many liabilities as would to the utmost degree absorb the revenue which would come into its possession.

7. You mean that you would take over the railways and public debts?—I do not say the railways; I think that is impracticable, but I think they ought to take over the public debts.

8. But why do you think that they should not take over the railways?—For the reason that the railways of these colonies have been constructed largely not in the nature of commercial undertakings, but for the purpose of developing the country, and consequently a great many lines

of an unproductive character have been built. But they have served another purpose—they have opened up the country and developed the lands, and therefore their indirect benefit cannot altogether be measured in money-value. And then, if the Commonwealth take over the railways, the construction of any future lines of railway would necessarily have to be its duty, and the Commonwealth would not be justified in building railways for the development of the resources of any States: it would only be justified in building them for its own purposes.

9. You are aware, I think, that in some of the States the bulk of their revenue, or a very large portion of it, is derived from Customs duties, and that in some States the interest on their public debt is paid from the Customs revenue?—Of course, in Western Australia the railway returns are sufficient to pay the whole of the interest on the public debt, but in most States the railways do not return sufficient to pay interest on the railway debt.

10. If the Commonwealth were, as you say, to take over the whole of the Customs duties for Federal purposes, what funds would the States have to pay the interest upon the railway debts out of?—They would not have it to pay. The Commonwealth would have in some instances sufficient from the Customs and excise duties to pay that, and in others it would not, and in those instances the States would have to make up the deficiency.

11. How could they do that?—By direct taxation.

12. Do you think that could be possible in the smaller States, such as Tasmania?—I do not think Tasmania ought to be regarded as a factor in it at all, because I think the conditions of Tasmania ought not to determine the policy of the Commonwealth; it is so small a colony, and any trouble which might arise there could be easily met by the aid of other States; but I do not think it ought to be a factor in it at all.

13. What do you think will be the effect upon the States, especially the smaller ones, through the Customs revenue being handed over to the Federal Government?—I think that the Federal Government would have to provide a sufficiently large Customs and exercise revenue to make the 75-per-cent. collection sufficient for the requirements of the States. That is the one fault of the Constitution—the Federal Government has to raise four times as much as it requires for its own purposes in order to comply with the provisions of the Commonwealth Act.

14. What other objections have you to the Act?—I object to the book-keeping system as a whole, because it is impracticable. It will not be complied with, and it is merely perpetuating the provincial spirit which it was the design of the Commonwealth to abolish. A case in point is that of the Riverina, which is of course New South Wales territory, but much of the trade of which is done with Victoria. The alleged reason for the book-keeping system was that the State of Victoria should not be allowed to profit by the trade of the Riverina settlers as far as the collection of the Customs duties was concerned on trade belonging to New South Wales; but surely it would appear that the object, both of the State and Federal Governments, is not to consider the interests of a particular State by obstructing all the settlers of that State, and that if it is found somewhat profitable for the Riverina settlers, who are citizens of New South Wales, to transact their business in Victoria, the Federal Government should have allowed them to do so. It is an advantage to the colony if its own citizens are afforded facilities for the carrying-on of their business, and what must be an advantage to the citizens must be an advantage to the State in its corporate capacity.

15. Are you in favour of union rather than of federation?—Yes, I should be in favour of unification.

16. Do you think there is any probability of that coming about?—Not the slightest.

17. Can you suggest any advantages that would accrue to New Zealand from joining the Commonwealth?—That will depend on whether you are proceeding in this matter from a spirit of altruism, or from the point of view of what is best for yourselves. If you are not proceeding in an altruistic spirit I might possibly advance the argument that I think federation would not be advantageous to New Zealand.

18. Why not?—Your circumstances and environment are entirely different from those of these colonies. You have got no great centralised population, which has been a distinct evil in the Australian Colonies. You have your four great centres, with others of minor importance scattered round the coast within easy reach of communication, and you have got a colony which, so far as advantages of rainfall, climate, and soil are concerned, is not adversely affected, as Australia is, by droughts and floods. Your population is a different one from that of Australia; yours is largely an agricultural population, living on the soil and on the natural products. You have not got a large body of mechanical workers; you are not, and never will be, a large manufacturing country, as you have not a population sufficiently large to maintain large manufactures. The only difficulty you would be likely to experience by remaining outside the Australian Confederation would be that your products would be to some extent shut out of the Australian markets, supposing the Commonwealth would not allow them to come in without a duty, as it might do, judging from the temper of the majority of the Parliament. That seems to me the most important question for you to consider—whether you can find markets elsewhere to absorb your products, so that you need not be dependent to any great extent on the Australian markets. If you can do that, I do not see where the advantage is to accrue to you by joining the Australian Federation.

19. Are you well acquainted with the products of Australia as a whole?—Yes.

20. Do you think that Australia is capable of producing sufficient for her own requirements?—Yes; she already does it.

21. Do you think there would be much chance of a very large trade in New Zealand products between New Zealand and Australia in the future?—I do not think there will be unless facilities are offered to you to send in certain products that you can grow cheaper and better than we can by reason of the reliability of your seasons. In good seasons we have a very large surplus, and when we have a surplus in such products as wheat the price does not depend on the price ruling here, but on the price in the London market.

22. Might I take it that you are of opinion that New Zealand ought not to join?—I do not know that I ought to say that. I confess if I were a New-Zealander I should hesitate about it. Of course, I assume that you have no fear as to your position in the event of foreign complications. You do not suppose that it is likely that the British Government would allow any foreign Power to obtain a footing in New Zealand.

23. *Hon. Mr. Bowen.*] You say that the Commonwealth ought not to take over the railways; but is not one of the great advantages held out as to the taking-over of the railways by the Commonwealth that the States would get rid of these rival tariffs?—No, sir; that is otherwise provided for—by an Inter-State Commission, which has to prevent any unfair rivalry of that character, on the lines of the Inter-State Commission of the United States.

24. *Mr. Millar.*] I think you said that, in looking at the financial aspect of federation, Tasmania ought not to be taken into account. What is your opinion with regard to the other States, such as Western Australia?—I do not think there will be any difficulty in the case of Western Australia, which has immense resources. She has the richest goldfield in the world, and sufficient good land to enable her to produce more than sufficient for her local demands.

25. Do you anticipate that a direct tax on the land and mines will bring them in a revenue equal to that which they would lose in Customs duty at the end of the five years?—I think it would be quite sufficient, with the gold and the timber.

26. What about Queensland?—Queensland is the richest of all the States.

27. But is it not now, on account of droughts, in a very bad state?—It is; but still her mineral resources have been very much developed, and that colony is becoming a great wheat-producer.

28. As an expert in finance, do you anticipate any great advantage under federation by the conversion of the whole of the loans?—No, there can be no immediate advantage in conversion. There would be an advantage in raising a new loan; but no man who knows anything about finance is going to give up a profitable security for a less profitable one, unless he gets some compensation for it.

29. Therefore, as far as that argument is concerned, it can have no weight?—None whatever, excepting that of sentiment.

30. I think you said that you did not think New Zealand would ever develop into a great manufacturing centre?—I said that.

31. Do you not think that, with her great available water-power for developing electricity, she will in course of time become a great manufacturing country?—I do not think so. She will not develop unless she has a market permanently, and where can she get it.

32. With the increase of population will not there be sufficient people to develop these industries?—The increase cannot be sufficiently rapid to warrant the profitable extension of the industries.

33. Have you any idea of the value of our exports to Australia now?—No.

34. It is only equal to 4 per cent. of the total exports of the colony which could be affected by a prohibitive tariff?—I had no idea that it was so small as that.

35. *Mr. Beauchamp.*] What do you think were the chief causes that hastened the formation of the Commonwealth?—That is rather a delicate question.

36. May I suggest that the chief reason was the desire to break down the fiscal barriers that existed between the different colonies?—I do not think it was.

37. Do you think it was the desire for inter-State free-trade?—To a degree; some of the colonies thought there was a bad time coming if they could not extend their markets.

38. Do you not think that some of the colonies felt the differentiation of the railway-rates?—They did.

39. And with regard to the control of the rivers?—Yes.

40. Do you think there was a strong sentimental feeling behind all this?—There was a strong desire for unity.

41. And that this cause would not prompt the New-Zealanders to join the Federation?—I should say, from my knowledge, that the New-Zealanders are not a very sentimental people.

42. Do you think that the financial aspect of the question was considered by the bulk of the people of the Commonwealth?—On the contrary, I am quite certain that they did not consider it at all.

43. As to black labour, I think you know Queensland pretty well: do you think that the sugar industry can be maintained by white labour?—I am certain that it cannot. Black labour is absolutely necessary for the development of Northern Queensland.

44. Do you think that State loans will be raised in the future as favourably as the colonial Governments have been able to borrow money in the past?—That will depend on circumstances entirely. It depends on the condition of the London money-market whether you get a loan sometimes at 3 per cent. and sometimes at 4 per cent., and a month after at 3½ per cent.

45. Supposing a State loan and a Commonwealth loan were on the market at the one time, do you think it would be an advantage to the vendors?—I think the Commonwealth Government would get it at least ½ per cent. less than the State Government.

46. With respect to the present powers of the Federal Government, do you think they will be enlarged as time goes on, or do you think the Federal Government will have plenty to do to legislate on these thirty-nine articles?—I think that for many years to come they will find their hands full, and that there will be no strong efforts made to increase the powers of the Federal Government or to diminish the powers of the State Government. I think the tendency will be the other way, because particular powers have been retained to the States. The Commonwealth Act provides that anything which is not specifically assigned to the Federal Parliament is within the jurisdiction of the States. That is the democratic principle of the American Constitution,

47. *Mr. Luke.*] Which do you think will be the great manufacturing centre in the Commonwealth?—New South Wales, because it has got a supply of coal, splendid shipping facilities, and it is the distributing centre.

48. You do not think that New Zealand, having water-power, will have any special advantage as compared with New South Wales or even Victoria?—I do not think so; it might be possible if it had access to the Australian markets.

49. But, I am suggesting, presuming we entered the Commonwealth?—If you entered the Commonwealth I think the probability is that there would be facilities for the development to a limited extent of your manufactures.

50. Do you think that New Zealand, having coal-measures similar to those in New South Wales, together with the water-power, would not have a special advantage as compared with the latter colony?—Not to any appreciable extent.

51. But we also have immense deposits of iron, and limestone in the immediate vicinity of the iron, only waiting for development; should we not have an advantage in that respect over some of these States?—They exist in all the colonies. There are enormous deposits of iron and limestone in this colony.

52. *Mr. Reid.*] When you said that if you were a New-Zealander you would hesitate about federating, and gave reasons why you would not federate, did you recognise that a State must regard such a matter not from an altruistic point of view, but rather from the point of view of an intelligent selfishness?—I think so.

53. That is to say, she must look to the balance of advantages that she is likely to obtain, and that only?—I imagine so.

54. Then, I think you said you would not federate at present; but I suppose you would advise us to keep in view the alternative of coming in in the future?—That would always be open to you.

55. Do you think there would be any difficulty in the way of keeping that "*lex potentialitæ*" open?—I do not think so. I think the feeling in the States will always be friendly to you, and their Parliaments too. There is nothing but the very warmest of feeling throughout all the colonies towards New Zealand, and that feeling must grow as means of communication increase between the colonies.

56. *Mr. Leys.*] Do you think it probable that the Commonwealth Government will take over all the loans?—I think it is quite within the range of possibility.

57. In that case, do you think the Federal Government would still allow the States to borrow on their own account?—They could not interfere with them; that is an inherent right in the States.

58. If the Federal Government take over the whole of the loans, and absorb the Customs and excise revenue, upon what security would the States proceed with their borrowing?—That would be for the lender to say—whether he was satisfied or not with the security of the State named.

59. Do you think it is likely that the lender would be satisfied with the security of any State which had handed over a large amount of its indirect taxation to the Federal Government?—I think so, for all the purposes of their requirements.

60. Do you think that under these circumstances a State could go on borrowing for the construction of roads, and non-productive works?—Of course, the theory is that we do not borrow for the construction of roads. I do not mean to say that the borrower is misleading in regard to the nature of the work he is borrowing for, but that is the theory.

61. Do you assume that there would be a considerable restriction of borrowing in the future by the States?—I do not think so.

62. Do you think that a State like New Zealand could rely upon getting money, and on meeting the interest by additional direct taxation for such works as it is now engaged in?—A State like New Zealand could.

63. Do you know the amount of direct taxation New Zealand has now?—I do.

64. Do you think that that amount of direct taxation could be doubled without injuring the agricultural industry?—No, it could not.

65. Do you think it could be materially increased?—Of course, any considerable increase of taxation might tend to injure a community already too heavily burdened, but they could carry it.

66. Do you not regard the transfer of the Customs and excise as practically putting the whole of the fiscal policy of the States at the mercy of the Federal Government?—I do. That is why I said they should assume the liability for the debts.

67. Do you not think that the loss of that fiscal control would be a very serious matter to a State like New Zealand, which depends very largely on its Customs duties?—I do not think so. New Zealand does not depend more largely on her Customs duties than Victoria.

68. Yes, it is 19s. higher per head than Victoria?—Yes, but I do not think that the *per capita* basis is altogether one that can be relied on. New Zealand consists of a colony of workers—they are all producers—but in Victoria, while there are a great many people who are producers, there are many who are producing very little wealth.

69. You mean that the average wealth per head might be higher in New Zealand than in Victoria?—I should say that the average man in New Zealand adds more to the national wealth than the average man in Victoria does.

70. *Hon. the Chairman.*] Assuming that intercolonial free-trade existed between New Zealand and Australia, do you think that the manufacturers in New Zealand could compete successfully with the manufacturers in Australia?—I have grave doubts about it.

71. Do you think that if there were intercolonial free-trade there would be a market for New Zealand agricultural produce in Australia?—Yes, there would be for some of it. For oats, for example, there would be a good market, because you grow them cheaper—and they are a more certain crop—than we can do here, and I think it is probably a better article, and, therefore, no

matter what product we have, if you can produce the best thing it must come out on top in the end. It is not a question of quantity or price, it is the high quality of the article produced that is going to rule the markets of the world. On the other hand, your wheat, which is more plentiful to the acre than ours, is not nearly as good as ours, and so could not compete with ours. You cannot grow the same class of wool we can; but you beat us in frozen mutton.

72. What about malt and barley?—I do not know anything about them.

73. Do you think that Victoria could compete with us in the matter of oats?—I do not think so.

74. Under the Act it is provided that the Federal Government may grant assistance to a State upon such terms as the Parliament thinks fit: will you kindly tell us how you think that assistance is to be granted?—I understand that it would be in any way that the Federal Parliament might determine. If it were found that Tasmania could not pay its way without a subsidy of £100,000 a year, the Federal Parliament would give it to her—a straight-out grant in aid, as a gift. That is the way I view it, and that is the way I should do if I were the Federal Premier.

75. *Mr. Millar.*] Did you read that letter of Mr. Fehon's, about taking over the railways?—Yes, and I should say that that was quite impracticable.

76. *Hon. the Chairman.*] Do you consider still that the sentimental question of belonging to a larger nation, such as would be the case with New Zealand if she joined the Federation, sufficient justification for her abandoning her local autonomy and political independence?—I should not think so. I am afraid that there is not much of the sentimental in me; I am accustomed to dealing with hard facts.

77. *Hon. Captain Russell.*] Why do you think that New Zealand people could not compete with Australian manufacturers?—I think the facilities for manufacturing here are more than equal to those in New Zealand, and then you have the difficulty of transit and the additional cost of freight; and though I have no doubt that you would get a fair share of the trade, you would not monopolize it, you would meet with very strong competition from here.

78. Do you look forward to the time when Australia will be able to compete for the outside markets?—Not for many years to come. All these colonies will have to depend on their own natural markets. They will manufacture whatever pays them best, if they are sensible people.

79. Do you think that the Australian is able to do more work, or better work, than the New-Zealander?—I do not think so; on the whole I think it is the other way about, because I think the New-Zealander is descended from a better class of colonist. He is better educated, he has better environments than the Australian, and from the start his development has been under more favourable circumstances. Your healthier environment has produced a better type of people.

80. In the process of generations, do you think that that will affect the character of the people?—I am afraid that is a subject to which I have not given much attention. I think the change might become apparent in a generation, and in two or three generations it will probably be very marked.

81. I suppose the physical conditions of New Zealand are not antagonistic to manufactures?—I should say, certainly not.

82. And the people themselves are fully the equals of the Australians for work?—Undoubtedly.

83. And the Australians cannot look for a market out of their own country?—Not to any great extent, because we are not up to the manufacturers of older countries, where they have had centuries of education and experience to work on. We have to learn everything here.

HON. JOHN HENRY WANT, K.C., examined. (No. 245.)

84. *Hon. the Chairman.*] You are a K.C., and have lived in New South Wales all your life?—Yes, fifty-four years.

85. Do you know New Zealand at all?—Only from visiting it on flying trips. I am not well acquainted with its commercial life, although I have taken a good deal of interest in watching its legislative progress.

86. Did you take an active part in the formation of the Australian Commonwealth?—I took an active part in trying to stop it.

87. What are your objections to the Federation as it at present stands?—In the first place, I do not think that it will accomplish the objects they are working for, and I cannot help thinking that, instead of consolidating the States, and making one people, the Constitution as framed will have the effect of maintaining the differences between the States. The feeling of one member being looked on as the member for Melbourne, and another member as the member for Adelaide, will be perpetuated and intensified, and there will always remain the feeling that each man must stick by his own State.

88. Are you in favour of union, instead of federation?—I certainly am, and I think it could be brought about, although everybody who was of that opinion said, "Of course, it will be very much better if you could get a union, but you will not get members of Parliament to vote to destroy themselves."

89. Do you consider that the expenses of government generally will be increased under the present system?—I am certain that they will be outrageous, as compared with what they might have been under a union, and I am sure that we shall realise that we shall have to pay dearly for what we have got.

90. Do you think the people realise that, and that the union will ultimately be brought about?—I think it could be very easily brought about if you could get some men to tackle it.

91. What do you think will be the effect upon the finances of the States through the right to levy Customs and excise duties being handed over to the Commonwealth?—What I fear is that we shall still have an enormous expenditure in our own States in connection with what I might

call "the fiscal question," and at the same time we shall have added to it the expenses of those that are in charge of the Federal matters. We shall have to keep up our staff, although the Parliament has gone away from us. There is a big staff under the Commonwealth also to be maintained, and there must be the proportionate expenses of two Governors, two Parliaments, and two sets of Ministers. Instead of reducing expenditure we are adding to it, and that is one of my chief objections to the present arrangement.

92. Do you think the States, especially the small ones, will have any difficulty in raising loans for necessary public works?—I do not think so; all these colonies are too strong to experience any difficulty in that respect.

93. Can you imagine what is likely to arise after the expiration of the ten years—under the "Braddon clause"?—That is a puzzle. I am not able to grasp or understand that clause. My impression is that the Federal Government will get such a hold of the finance that they will not give up the three-fourths. The moneys they get from the States will be used, and even if they return anything to the States the local State Treasurers will not allow it to go back to the pockets of the people again.

94. Are there any other objections you have to the Commonwealth Act as it stands?—Another thing I object to is that the Commonwealth only takes upon itself certain large departments of the State, which is the reverse of the Canadian system, where they take everything over practically, and allow the State to retain but a few little things.

95. Do you not anticipate that the Constitution will be amended from time to time, with a view to giving the Federal Government greater powers?—I do not think that they will ever amend the Constitution under the present Act, on account of the difficulty of so doing, and on account of the queer way in which any alteration is required to be made.

96. How do you think the question of New Zealand's distance from the continent would affect her if she decided to join?—Different people take a different view of that question; but it seems to me that, with my knowledge of the workings of political life, it would be an absolute farce for New Zealand to attempt such a thing. You are too remote altogether.

97. It has been suggested to us, in view of a possible Imperial Federation, that that matter would be helped by New Zealand joining the Commonwealth: what is your opinion on that point?—I have no doubt that it would assist it, provided that you are looking at the matter in that light only. Canada is further off than New Zealand, and I do not suppose that any attempt would be made to form an Imperial Federation without including all the colonies, Canada, and South Africa.

98. But do you not think that New Zealand could aid the cause of Imperial federation just as well by remaining a separate colony as by joining the Australian Commonwealth?—No doubt, but not to initiate it.

99. Would our joining this Commonwealth hasten on Imperial federation?—I think it would not.

100. *Hon. Captain Russell.*] Then, you do not think that two separate Powers in the South Pacific would be more likely to bring about Imperial federation than one Power in the South Pacific?—I should think that if you got the Pacific islands joined to New Zealand, that, together with this Commonwealth, would help the cause of Imperial federation.

101. Do you anticipate the possibility of any friction between the Commonwealth and New Zealand over the Pacific islands?—None whatever. I think there will always be the old rivalry, but nothing else, although, speaking from a Conservative point of view, we look upon some of your legislation as rather peculiar sometimes.

102. "Advanced"?—Yes; and, if I might say so, it is rather amusing to us sometimes; but I know that there is the very best possible feeling between the two countries, and the proof of that is that we have just sent over a Commission to make inquiries as to the working of your Industrial Conciliation Act, so that I do not think the fact of your standing out of the Commonwealth will make the slightest difference.

103. Is there any possibility of a reciprocal treaty between the two countries?—Yes, I think there is; and I think such a treaty would have been possible between this colony and Tasmania had it not been for Victoria throwing difficulties in the road.

104. You think the policy of the Victorian farmer is not likely to cause trouble?—I do not think they will be strong enough.

105. You are a Free-trader?—Yes; a staunch one.

106. I understand you think that the Act as it stands at present will not tend to the making of an Australian nation?—No, I do not think so.

107. But will not time obliterate the distinction between Queensland and New South Wales?—I do not think so. I think the way this Commonwealth will be worked will rather augment the feeling, and that has been one of my strongest objections to the Act.

108. Am I not right in supposing that a good deal of trade from certain portions of New South Wales goes by sea to Adelaide?—Yes; and a lot of it goes to Melbourne.

109. And that people who own property in one State not infrequently live in the cities of the other?—Very much so; in Victoria especially. There are many rich men there who own large stations in this colony. There will be a good deal of trouble over the question of the control of our inland rivers, as all the rivers flowing through Victoria have their sources here, and they run through different territories, and in interfering with them you are interfering with the rights of the Commonwealth.

110. Do you think that the different climates and the different environments will cause no distinction between the various States of Australia?—No; the differences of environment will cause a difference in trade. We are in this State cut off from our best land by a big mountain-range, and we do not get a single thing for our railways to carry until we reach the rich country at Goulburn, from whence to Melbourne you can carry goods far cheaper than you can bring them to

Sydney. The consequence is that it will be a great blow to us to lose that trade, as we shall under federation, as our railways will not have the stuff to carry. It is the same with regard to Broken Hill and Adelaide, Melbourne and the Riverina. As the Commonwealth gets charge of some of these railways, as it eventually will, and diverts all the trade to its proper channel, it will cause a great deal of trouble between the States.

111. Do you anticipate that the Commonwealth will take possession of the railways?—I think they must.

112. Then, the construction of the future railways will be under Commonwealth guidance and management?—Yes.

113. Where would New Zealand come in if there were an Australian system of railways?—I think you are too far away to talk of that.

114. But, under this Bill, should we not be liable for our share of the expenses?—Of course, you would have to pay the piper and look pleasant.

115. I think you said you doubted whether the borrowing-powers of the States would be affected by the fact that they now belonged to a Commonwealth?—I said I did not think they would.

116. Seeing that the Commonwealth practically controls the Customs revenue, supposing Adelaide wants to make a breakwater at Largs Bay, where is she going to get the necessary money?—She will have to borrow it; she has no large revenue to draw on, as against this colony which has a very large one; but I do think there will be a difficulty in their getting their own people to launch out in such works as that when their borrowing-power is limited.

117. Do you imagine that the Commonwealth loans will be quoted at a very much lower price than the State loans are at present?—I do not think so.

118. You do not think New Zealand would gain very much by federation in that respect?—I do not think so.

119. You said amongst other things that you were strongly in favour of unification: are there many more like you?—I suppose there are nine out of ten who take the same view; but the question is, how are you going to bring it about, because you will not get members of Parliament to vote to destroy themselves.

120. You think some man with magnetic influence might precipitate that question?—I do not say it wants magnetism: a strong man with strong feeling behind him could do it.

121. Do you think it probable that it will be a political war-cry before long?—I do, because people will be so disgusted with this Commonwealth that the people will be glad of a change.

122. Under a unified Australia would our position be as good as under a federated Australia if we were to join in the future?—I think it would be better; but I cannot see the advantage of New Zealand even joining a unified Australia. The only benefit I would say would be with regard to Imperial federation. To talk about New Zealand joining this Federation is like a man living in England managing his affairs in this colony.

123. We have heard that there will be some difficulty with regard to the weaker States: is that your opinion?—Half of them will be insolvent.

124. In what shape do you think assistance will have to be given to those colonies?—That has been a puzzle to me right through, and several of the older States now see the evil effects that will arise from the financial clauses of the Constitution.

125. Then, I suppose there is a possibility of the stronger States having to come to the rescue of the weaker ones, and will not all this tend to unification?—It will help to bring about unification, because the stronger States will have such a taste of it that they will want something better than the Commonwealth.

126. But there is nothing in the Act to allow of a judicial separation?—No, the connection is for all time and for ever.

127. Do you think it will be possible to so alter the Constitution as to provide for unification?—You will have to wipe out the Constitution, and start again.

128. Do you think all that is within the bounds of possibility?—I do.

129. Do you think that it is probable?—Yes, I believe, if tackled in a proper way, unification could be brought about just as easily as we got this present Federation.

130. Do you think we, as New-Zealanders, might consider that it is probable that there will be a unified, rather than a federated, Australia within measurable distance?—Within the next ten years. There is one very strong man in this colony who takes the same view as I do, and we fought the question together—that is Sir George Dibbs. We both suggested that unification should be the direction in which the change should be made. Sir George Dibbs addressed a letter to the other Premiers at the time, pointing out how he thought it could be done. I was in the Ministry with him at the time, and his letter expresses my views just as well as I could express them myself.

131. *Hon. Mr. Bowen.*] I presume that when you speak of the unification of Australia you mean something more like the Canadian system?—I mean something stronger than that.

132. You mean to obliterate the States more completely?—I would do so absolutely. I would very much have preferred the Canadian Constitution to what we have got; but I would have gone further than the Canadian Constitution even.

133. Do you think that the States and the Commonwealth dipping out of the one purse is a fatal blot?—I do, and I have always deemed it the great stumbling-block, and they adopted this marvellous "Braddon blot" in order, as they thought, to overcome the difficulty; but I cannot understand how it is going to work, nor does any one else.

134. You said you thought that the credit of the States if they belonged to the Commonwealth would be sufficient to enable them to borrow, as their credit would have to be supported by the Commonwealth?—Yes.

135. I dare say you recollect that in the case of the United States the repudiation of Pennsylvania brought discredit on the States generally?—I do not think that the Commonwealth would ever allow a State to repudiate.

136. Therefore the loan would have to be met by the Commonwealth?—No doubt; and therefore the people in lending money would feel that the security of the whole Commonwealth would be behind the loans of the States.

137. You are not afraid that the Commonwealth would take the view the United States did in the case of Pennsylvania?—No; I think it would be too “un-English.”

138. *Mr. Beauchamp.*] With regard to the States, I suppose you would assess their powers as compared with the powers of the Commonwealth at about the same scale as the powers of the London County Council as compared with the English Parliament?—Very much the same.

139. What do you think of the proposed book-keeping system to administer the accounts between the States?—It will lead to the utmost confusion. Supposing you take a sealskin in this colony and send it across the border to Melbourne, and it is made into a jacket there, and then sent into Adelaide to be sold as a sealskin jacket, just look at the book-keeping it will have to go through before it is sold as a sealskin jacket.

140. I gather from your remarks that New South Wales is to be called upon to make the greatest sacrifices under this Commonwealth?—No doubt, for the present; and Queensland will come next.

141. Do you think that New South Wales will be likely to extend her various manufactures under intercolonial free-trade?—I think she will, and that is one of the good points she will get from federation.

142. I suppose that has been one of the strongest arguments in favour of federation?—No doubt, and that is one of the things which could have been met by a simple Act of Parliament.

143. Holding these views, do you think it would be just as easy for New Zealand to establish free-trade with the Commonwealth?—Just as easy. We used to have a Border Duties Act between this colony and Victoria.

144. As to the railways, you hold the opinion that they ought to be taken over by the Commonwealth?—It must come to that, on account of the trouble in adjusting the rates.

145. But will not there be a difficulty in inducing some of the States to give their consent?—There will be a lot of trouble, and that is one I have seen all along.

146. To keep faith with the Westralians, do you think that a trans-continental railway will be constructed within a reasonable time?—I do not think so, and it is a wicked shame to propose such a line. That question will be tied up for the next fifty years.

147. Have you given any consideration to the question of coloured labour?—I do not think it is possible to have a “white” Australia. If we are going to utilise the northern territories, it can only be done by employing black labour. I am very much averse to the employment of coloured labour, and I have assisted to exclude the Chinese and all coloured peoples from this colony; but, although you might exclude them from some parts of Queensland, I do not see how you can utilise the northern part of that country without employing coloured labour. Some of the public works and gold-mines at Port Darwin were doing very well with Chinese labour, but as soon as this labour was excluded the whole place was shut up. You cannot maintain some industries in some parts of Australia without black labour, and if you wish certain industries to be maintained black labour must come in.

148. *Mr. Luke.*] Under the new conditions is there not already a disposition to economize as far as the State administration is concerned?—No, not the slightest sign of it.

149. Are not steps already being taken to reduce the number of members?—We are trying to do it now, but the House is very much averse to it. It will take some trouble to do it.

150. Do you not think that public opinion will be sufficiently strong to compel the House to do it?—I hope so, and I think it will; but it will not be done on account of the establishment of the Commonwealth, although they are using the Commonwealth as a lever to bring it about. For the last ten years we have had twice as many members as we ought to have had. We have here one member of Parliament to every ten thousand inhabitants, while in the United Kingdom they have one to every sixty thousand.

151. Then, you do not think that this expression on the part of the State members is sincere?—No, it is sincere only because they are made to appear sincere by public pressure.

152. You do not think that economies could be effected to cover the cost of the Federal administration?—I do not.

153. You do not think there is any possibility of the Federal power absorbing the powers of the States?—I do not think so, under this Constitution.

154. Supposing unification did not come about in ten years, do you think it would be advisable for New Zealand to enter the Federation as it now exists?—I do not think so, if you mean to enter now.

155. Not even if we had faster steam communication?—I think you are too far away. You would not like to have a big store here, and to be managing it from Auckland.

156. But are there not some branches here of large concerns in other parts of the world?—You want to be on the spot to manage a large business successfully. There are very few people in this colony, excepting the educated people, who know what sort of a country New Zealand is, and therefore no interest is taken in it.

157. Does that explain the reason why you see so little information in the daily papers here about New Zealand?—I found it was the same in England—that the people there did not know anything about Australia.

158. *Mr. Reid.*] You have been Attorney-General, Mr. Want?—Yes, in several Ministries.

159. With regard to the means and power of amending the Constitution, are you familiar with that matter?—I am.

160. Do you consider it effective?—I think it is unworkable, or nearly so.

161. That being so, there will be no alteration or amendment of the Act by the Imperial Parliament?—That is so; all we can do is to wipe it out and start afresh.

162. That being an unworkable clause, you think you would have to get the Constitution amended by an Imperial Act?—I think so.

163. Are you familiar with the judicial provisions?—Yes.

164. What do you think about the constitution of the High Court?—I think the clause is of very great importance, as far as altering the present appeal to the Privy Council is concerned; but I take exception to that alteration which has been made, as to controlling the power of the people in this country to go direct to the Privy Council.

165. You think there should be a right of appeal with leave?—Yes; I wanted to leave exactly as it is now the appeal to the Privy Council, a tribunal which is without bias or prejudice. And we also have it without any expense. In these days also the appeal to the Privy Council is just as rapid as an appeal to your own Courts. I have known appeal cases go to England and back, and be settled before a case was settled in the Appeal Court in these colonies.

166. Do you think that the 73rd section of the Act makes the right of appeal exclusive to the High Court?—That is the clause which gives you the right to go to one or the other, and in that connection I think you will find a case mentioned in Bryce on the "American Constitution," where there were cross appeals. The plaintiff appealed to the Privy Council, and the defendant appealed to the High Court, and they both got a decision in their favour. They never got out of the tangle.

167. Then, you think the 74th clause is exclusive?—Yes. The 73rd clause allows one to go to one Court and one to the other.

168. Where do you think the High Court will sit?—It must sit within the Federal territory.

169. *Mr. Leys.*] You said that, from your knowledge of the workings of political life, you thought New Zealand would be at a disadvantage: I suppose you have had a pretty long experience of political life?—Yes; I have been in four Ministries.

170. It has been suggested to us that, although New Zealand would be very much in a minority in the Federal Parliament, the "lofty ideals" of political life would secure New Zealand receiving justice if she joined the Federation: what is your opinion?—My experience is that "lofty ideals" in political life have been right through a *minus* quantity.

171. You seem to anticipate a struggle between the States and the Commonwealth: do you think it very likely that New Zealand would go to the wall in such a struggle?—I do not think it would go as far as that.

172. But New Zealand's interests would be likely to suffer?—I do think so, undoubtedly, if you joined now.

WEDNESDAY, 17TH APRIL, 1901.

E. H. LASCELLES. (No. 246.)

Mr. Lascelles, of Melbourne, was unable to appear for examination, but sent the following reply to a series of questions put to him, by letter, by the Commissioners:—

DEAR MR. LASCELLES,—

Adelaide, 11th April, 1901.

The Hon. Colonel Pitt, our Chairman, has asked me to write to you acknowledging the letter of 3rd instant received from your firm, and explaining that, although we shall not have an opportunity of taking your evidence personally, it would be esteemed a favour if you would furnish us with certain information in writing.

In anticipation of your agreeing to our wishes in this respect, I submit the following heads I have drawn up, which will show you the sort of information we desire to obtain.

- (1.) What is the extent of the mallee country which is suitable for wheat-growing?
- (2.) What is the extent suitable for fruit-growing?
- (3.) What is the acreage already under cultivation of—(a) Wheat and other grains; (b) fruit?
- (4.) What acreage is being brought in yearly?
- (5.) What is the mode used of breaking in the country and making it fit for cultivation?
- (6.) The cost of the same.
- (7.) What is the nature of the tenure, and rent or purchase-money payable?
- (8.) What is the cost of putting in and taking off the crops and delivering grain at the nearest railway-siding?
- (9.) What is the average yield of grain per acre?
- (10.) What are the average wages paid for labour?
- (11.) What is the average rainfall?
- (12.) Is any assistance given to settlers in the mallee by Government?

If you are unable to give an exact answer to any of the questions will you kindly give the best reply you can.

I shall be much obliged if you address your reply to the Chairman at the Metropole, Sydney.

Thanking you in anticipation,

I am, &c.,

E. H. Lascelles, Esq., Geelong.

JNO. ROBERTS.

DEAR SIR,—

Geelong, 17th April, 1901.

I am sorry that absence up country prevented me from giving evidence to your Commission when in Victoria, but Mr. Roberts's questions submitted to me in his letter of 11th instant are so full that they will quite exhaust the subject.

My replies are as follows:—

- (1.) About 7,000,000 acres.

(2.) The total area of Victorian mallee is about 12,000,000 acres, the 5,000,000 not agricultural being hummocky sandy country, growing chiefly heaths. In generations to come, a large portion of this seemingly useless land may be utilised for fruit-growing. From my own experiments, I believe it is adapted for that purpose. Outside of this, and exclusive of the Mildura Settlement, all pine ridges throughout the mallee are good for fruit-growing, even the white-sand ridges are found very suitable; it is pure guesswork to estimate the area—I should say half a million acres. It will be a feature of mallee settlement that most of the settlers will have good gardens on their Murray pine ridges.

(3.) (a.) About 800,000 acres, practically all wheat. (b.) Excepting Mildura, probably not 200 acres.

(4.) Owing to past bad seasons, from 1895 to now (last season being a medium one), comparatively little new country is being cleared. I should say it would not average more than 30,000 acres per annum for the last five years.

(5.) Chiefly use of mallee-roller, which rolls scrub, say, 10 to 12 acres per day for each team. The rolled scrub lies on the ground for three or four months, and is fired in February. Heavy mallee has to be cut with the axe, and is similarly burnt.

(6.) 3s. 6d. to 5s. per acre for rolling; 6d. to 3s. per acre for picking up and snagging, according to character of burn. Cutting down with the axe costs 5s. to 7s. 6d. per acre; picking up, same as above.

(7.) The existing leases were for twenty years, and expire on the 1st December, 1903. Rent varied from 10s. to £2 per square mile, according to character of land; but lessees can select from 640 acres to 1,920 acres, at from £1 for former to 5s. for latter, payable without interest in forty annual instalments, when Crown grants are issued. They can also take similar areas under perpetual lease, paying $1\frac{1}{4}$ per cent. per annum on unimproved values, subject to adjustment every ten years.

(8.) Ploughing, sowing, and harrowing, 5s.; seed, 30 lb. to acre—average price, 1s. 3d.; stripping, according to crop, say, 4s.; winnowing, 1s.; bags, 1s.; average cartage, 1s. The above is for a two-bag crop. If ploughed one year it is considered a fair thing to disc it the next; so discing, harrowing, and sowing would only cost 2s. 6d. per acre over the two years. The average cost of putting in and taking off a crop, including cartage, would be 12s. per acre. The prices quoted are contract prices I pay. A farmer with his land free, and a working family, would probably say that at a gross return of 10s. per acre he could pay his way, but it would be a hard life, and only bare necessities to figure in the *menu*.

(9.) Mallee settlement on an extensive scale commenced in 1889, when there were six good seasons (1889 to 1894 inclusive), the rainfall averaging at Hopetoun $18\frac{1}{2}$ in. From 1895 to 1900 the average has been 11 in. For the former period I estimate the average yield at 12 bushels (where not affected by rabbits); for latter period the average has been about $4\frac{1}{2}$ bushels—starvation years. The average on 80,000 acres of my Hopetoun Settlement last season was $7\frac{1}{4}$ bushels; and the average price at railway-station was 2s. $3\frac{1}{2}$ d.

(10.) £1 5s. per week for ordinary farm-hands, and £1 7s. 6d. for horse-drivers, men finding themselves; but during harvest-time men not in constant employ get about £1 15s. to £2 per week and find themselves.

(11.) This is answered in No. 9.

(12.) The mallee has been settled by farmers taking land directly from the State, or by purchase from me and others of the unexpired terms of lease. The Government have assisted many settlers with seed-wheat, and loans for erection of netting fencing, but practically no Government help has been given to those who may be termed my settlers. The Shire Council has received loans, on which interest has to be paid, for the construction of water-channels.

One great trouble with mallee-settlers, and which has caused crops only to be scratched in, has been the want of water; but a reservoir is to be constructed in the Grampians, and the fall being to the north, with no engineering difficulties, water can be cheaply conveyed right through the mallee.

Trusting the information given is all you require,
The Chairman, New Zealand Federal Royal Commission,
Sydney, New South Wales.

Yours truly,
E. H. LASCELLES.

BRISBANE.

MONDAY, 22ND APRIL, 1901.

JOSEPH HUGHES examined. (No. 247.)

In reply to the Chairman, Mr. Hughes said he was the Registrar-General of Queensland, and had been a little over two years in office. The area of land under crop for sugar, including the area for crushed and plant cane, and stand-over cane, in 1900 was 108,535 acres. The area crushed for sugar was 72,651 acres. The yield of sugar was 92,554 tons for the season of 1900. The area under cultivation for sugar was 2,122 acres less than it was in the previous year. The decrease was attributable to the severe drought throughout the sugar districts as far north as Mackay. Further north than that the season had been a fairly good one.

2. *Hon. the Chairman.*] What labour is employed in the area spoken of?—I cannot tell until I get the result of the census.

3. What is the kind of labour?—Speaking from my own knowledge and not statistically, there are all kinds of labour employed on the sugar-plantations—South Sea Islanders or kanakas, Japanese, Javanese, Chinese, and whites. I cannot give you the figures about the whites, and I am not prepared to say what the proportion is, because I decline to do any guesswork in the matter.

4. Can you tell us under what conditions the Japanese are employed on the sugar-plantations?—When I lived in the north I was aware that these men were brought down under special agreement between the planters and themselves, and men were sent down with them to look after their interests.

5. Had those agreements anything to do with the Governments of the two countries?—I am not prepared to say.

6. Have you lived much in the sugar country?—Yes; in Townsville.

7. What is your opinion as to the possibility of the sugar industry being carried on by white labour?—There is always a very great difficulty in obtaining white labour to work in the sugar-cane fields.

8. Is there a disinclination on the part of the white labour to work in the fields?—Yes, a very great disinclination excepting in connection with ploughing and such work.

9. Do you think the planters could rely on obtaining the services of white labourers for trimming or cutting the cane?—I think they could not for “trashing,” which means working in the standing cane, or cutting. Even if they get white labour to undertake that work, they have a great difficulty in inducing them to stick to it.

10. Do you think the climatic conditions are against the white man labouring there?—In work involving working in the standing cane, yes.

11. In southern Queensland are the climatic conditions favourable to white men working in the sugar-fields?—When I lived in Bundaberg, which is a sugar district, none but kanakas were employed in the field-work; but that was twenty-five years ago.

12. Do the climatic conditions of Bundaberg prevent white labour being employed there?—That is a question I am not prepared to answer. I am not a sugar expert.

13. Can you tell me what are the agricultural products of Queensland?—Wheat, oats, barley (both malting and other), maize, rye, a small quantity of rice, potatoes, pumpkins, sugar, arrowroot, tobacco, coffee, hay (and green fodder), bananas, pineapples, and oranges. Only a few apples and pears are grown.

14. Are these products grown in sufficient quantity to supply the wants of Queensland?—Not in wheat or oats. Barley is imported, and maize depends on the crop here as compared with the crop in New South Wales. It is a fluctuating quantity; two years ago we exported maize largely, but last year we imported a good deal.

15. How long is it since malting-barley has been grown in Queensland?—Two years ago the amount was very small, but there has been an increase, and last year the acreage of malting-barley was 6,011 acres, with a yield of 100,027 bushels.

16. Is that likely to be an increasing industry here?—It is increasing, and the yield for the year before was only 26,000 bushels. It is principally grown in the district west of Toowoomba.

17. Is the production of oats increasing?—The total average for 1899 was 714 acres, which is more than double the previous year; but it is insignificant, and the yield is not very great. The yield for 1899 was 10,712 bushels, the acreage being 714 acres. In 1899 the acreage under wheat was 52,527 acres, and the total yield was 614,414 bushels, or an average yield per acre of 11.36 bushels free from rust, the average for the whole colony being 11.70.

18. Is the dairy produce increasing?—Yes; the butter exported in 1899 was 1,159,255 lb., of the value of £49,517; and the cheese exported that year was 11,358 lb., of the value of £250.

19. Do you export condensed milk?—No.

20. Did you import butter and cheese during that time?—In 1899 we imported 26,480 lb. of butter, of the value of £1,166; and cheese to the amount of 69,332 lb., valued at £1,833.

21. *Hon. Captain Russell.*] Did you occupy an official position when you were at Townsville?—I was in charge of the Customs there.

22. Could you tell us from memory or documentary evidence what are the vital statistics up there?—The number of deaths in Townsville in 1899 was 257.

23. Have you any idea what the death-rate is in Northern Queensland?—I am not prepared to say that it varies in any conspicuous degree from the rest of the colony.

24. Is there anything to show that the white people are less productive there, or that the death-rate of children is greater there than elsewhere?—The figures are not localised. Speaking without the statistics, I know that it is a very healthy place for children.

25. Do the children pine during the hot weather?—Not very much.

26. Are there many native-born Europeans in the north of Queensland?—Yes, a good many.

27. What is the condition of their health?—A great deal depends on the locality in which they are brought up. Townsville is a healthier place than some people think. It is an extremely dry place, with sugar-plantations to the north and south of it, but no agricultural land near the town.

28. What occupations do the white men follow who are employed in the sugar districts?—Ploughing, engineering, and they also are employed as mill-hands.

29. Are those occupations of a superior or ordinary kind?—The ploughman is superior to a man who only uses a hoe.

30. You said that the disinclination of the whites to labour in the sugar-fields was the cause of their not taking up that work?—I imagine that they do not like the work.

31. Is it because they consider it *infra dig.*, or because of the temperature?—The work is extremely physically trying. I do not think there is any question of dignity in the matter.

32. The question of the “mean white” has not cropped up there?—I do not think so.

33. It is simply because they feel it too enervating?—It is too exhausting.

34. Do you imagine that that feeling will extend as the generations go by?—That is entirely a matter of conjecture.

35. Are there any manufactures in that Northern Territory other than sugar?—Not many.

36. Is that due to the sparse population or to the climate?—The cost of labour is greater there, because there is not the same competition that there is down south, and the employers think that the men do not do so much work.

37. Why not—are they a bad class of labour?—Oh, no; it is the climate.

38. You think the men are willing to work, but are unable to do so?—There are some small manufacturers there, but they cannot compete with the south.

39. What wages do the ploughmen get there?—I had rather you asked a more recent authority, as I have been away from the north for two years.

40. *Mr. Millar.*] When you were at Townsville were you the officer appointed by the Government to look after the cane-fields?—No.

41. What department is that under?—There is an Inspector for the Pacific-islanders, who looks after their interests.

42. Who looks after and recommends the payment of the Government subsidy to the sugar industry?—I am not aware that there is any subsidy paid.

43. Has not there always been a subsidy paid on the setting-up of mills?—I think it scarcely comes under that heading. You mean the advances for the construction of central mills?

44. Yes; and the condition under which it was originally granted was that there should be no black labour employed?—Yes; that there should be no black labour in connection with the mills, and that is still the law.

45. Who looks after that matter?—It is under the Agricultural Department, but the Department of Pacific-islanders would be able to supply you with all the information connected with the kanakas, their employment, housing, sanitation, clothing, and wages.

46. Could they give us definite information as to the death-rate amongst the kanakas working on the plantations?—I think I should be able to obtain for you a comparison of the mortality of the islanders as compared with the whites.

47. *Mr. Beauchamp.*] Compared with the other industries here how does the sugar industry rank?—Our exports for 1899 were as follows: Wool, £3,400,000; gold, £2,915,000; sugar, £1,163,000; frozen beef, £796,468; frozen mutton, £37,265; frozen tongues, £1,398; extract of beef, £215,209; salt beef, £10,037; desiccated beef, £1,917; cattle (overland), £707,000; sheep (overland), £180,000; hides, £482,125; tallow, £468,829; green fruit, £93,291; skins, £218,000; pearl-shell, £137,000; manure, £24,000; tin, ore and smelted, £81,000; wolfram-ore, £26,000. Total exports for 1899, £11,942,858; and total imports, £6,764,097.

48. With regard to the employment of whites in these northern districts, do you think if the employers were to offer a sufficiently high wage they would induce white men to take work in the cane-fields?—That is what the great controversy is about. My opinion is that they would not take the work even if they were offered an extremely high wage, because it is too severe. They might work at it for some time when they were hard-up, but they would not take that kind of employment if they could get other, and you must remember that white men are scarce up there.

49. Are the unemployed here men who do not want any work?—There is a section of them who will not go outside the towns to work, and in the country at present there is a great depression following on the drought. This has congested the labour-market in the towns.

50. How long has the drought lasted?—When I was in Cunnamulla some months ago they said they had not had a good season for four years. We generally have a succession of bad seasons and then of good ones.

51. Are the kanakas permitted to bring their wives with them, or are a certain number of women allowed to accompany the men?—Some women come with every ship-load, but only a very small number.

52. Do they breed at all?—Yes.

53. If they return do the children return with the parents?—A man takes his wife and children home.

54. What is the period for which these men are employed?—Three years.

55. Is there a poll-tax on the Japanese and Javanese?—No; there is a restriction on Chinese, but no absolute tax. The Chinese are restricted to one Chinaman to each 500 tons burden of a ship's register.

56. *Mr. Luke.*] What is the population of Queensland?—500,000 approximately.

57. Where do you send the tin-ore to?—The ore to New South Wales, and the smelted tin probably to London.

58. Are there any works for treating tin-ore in Queensland?—They are erecting smelters at Chillagoe, to the west of Cairns.

59. Where do these large mining concerns get their machinery from?—A good deal is made in Queensland, but they also import it from New South Wales. Machinery valued at £15,267 was imported in 1899, of which half came from New South Wales.

60. What are the hours of labour in these mining districts?—Eight hours.

61. What is about the wage paid?—The ordinary wage in Charters Towers is about £2 10s. to £3 a week.

62. *Mr. Leys.*] Have you given any attention to the finances of the Commonwealth as they affect Queensland?—No; my attention is mainly directed to recording existing facts.

63. In many tropical places it is considered the rule to send the women away periodically: is that the rule in Northern Queensland?—The North-Queenslanders always try to get away if they can—the women as well as the men. The well-to-do people always send the ladies of their family away in the hot months, and also their children.

64. Is that because they find their health suffering?—Certainly the northern climate is very much more trying than it is in the south. I speak from experience.

65. That seems to indicate that the white race does not permanently thrive there?—There has not been a sufficient lapse of time to see. The climate affects the women more than it does the men.

66. Do you think, from your observation, there is likely to be any large market in Queensland for New Zealand agricultural produce?—There is a good deal imported in the way of oats,

There were 186,905 bushels imported in 1899, valued at £22,835, of which New Zealand supplied 73,519 bushels, valued at £9,216.

68. Do you know any other New Zealand product that comes in to any extent?—Potatoes; but it is not very great—660 tons out of 15,128 tons, unless some of those imported from New South Wales came from New Zealand.

69. Do you import New Zealand timbers?—We used to some years ago, but not of late years. We imported in 1899 New Zealand hardwood timber to the value of £780, and pine to the value of £5,603.

70. Is that kauri-pine?—That is pine timber under 96 in.—that is, under 12 in. by 8 in.

71. Do you import Californian timbers?—Only to the value of £513 in 1899.

72. *Hon. Major Steward.*] What was the value of the wheat you imported last year?—£102,920.

73. How much from New Zealand?—£5,668.

74. And barley?—£10,955, of which £5,833 came from New Zealand.

75. Do you import onions?—Yes; £20,281 in 1899, of which only a small amount, amounting to £474, came from New Zealand.

75A. *Hon. Mr. Bowen.*] When you speak of the climate affecting the Europeans you do not mean the high lands of the north?—No; the coast-line where the sugar is grown. Townsville is immediately on the sea.

76. You are not speaking of the pastoral high lands inland?—I did not make any mention of them.

ALEXANDER CHARLES GRANT examined. (No. 248.)

77. *Hon. the Chairman.*] What are you, Mr. Grant?—Managing director of Morehead's (Limited), stock and station agents, stock salesmen, produce dealers, and general merchants in Brisbane. We deal with every part of Queensland.

78. Have you any knowledge of the sugar industry?—No.

79. Are you connected with agriculture?—With wheat only.

80. *Mr. Leys.*] What is the average price of cattle here for export?—From £1 3s. to £1 4s. a hundred pounds in the yards.

81. *Hon. Captain Russell.*] How long has that been the price?—For the last six months. Before that, for a time, it was probably about £1 a hundred pounds. We have had a very bad season, which has placed an additional value upon fat cattle.

82. Has there been a great loss of stock?—The loss of stock in Queensland has probably been over 60 per cent. in sheep, and in cattle certainly from 50 to 60 per cent.

83. *Hon. Mr. Bowen.*] You mean over the whole drought?—I should say this estimate covers the loss in sheep during the last twelve months. The estimate of decrease in cattle you may say extends over the last two years and a half. The sheep owe their decrease to the drought; and the cattle in part to the drought, but in a great measure to the tick pest, and also to the fact that a great many cows have been speyed for certain reasons. A great many cattle have been exported.

84. *Mr. Leys.*] Was beef very much cheaper two years ago?—Yes.

85. Do you think there is any large likely market in Queensland for New Zealand produce?—I do not think so. We have had New Zealand hides sent over for sale, and the returns have been very satisfactory; but we have never received many consignments, although I believe the returns were satisfactory to consignees. I think there is no market for your butter here, as we are increasing our dairying operations very much indeed. In one district quite close to our border, where a few years ago there were only a few milking-cows, there are now over fifty thousand being milked, and the same extension is taking place all round here.

86. Do you think that Queensland will become self-supporting in respect to wheat?—That is a very difficult question, and puzzles wiser heads than mine. The wheat-cultivation at present is of a spasmodic character, and the area under wheat is confined to the Darling Downs. Now, the Darling Downs is a district which commences about sixty miles from here. It is a large district, and one of the best we have got. The Darling Downs is generally supposed to be the garden of Queensland; but the whole of the Darling Downs is not of equally good quality. A portion of it is wonderfully fine, rich agricultural country, but the other portion is purely pastoral country.

88. *Mr. Leys.*] You were saying that it was uncertain whether there would be any great future for the extension of grain-growing here?—With proper methods, systematic cultivation, and with the erection of light tramways we may be able to grow wheat for export. The Darling Downs district is divided into country which has got a very good rainfall and country which has got a scanty rainfall, and therefore the good agricultural country on the downs may be measured by that portion which is of a first-class character and which has got a good rainfall.

89. What would be the value of the land per acre which is suitable for wheat-growing?—My company has got in its hands for sale the pick of the Darling Downs—that is, the late Mr. Tyson's station—and the price of that is from £3 to £3 5s. per acre.

90. Is that improved land?—Only for pastoral purposes—fenced for keeping sheep in paddocks. It comprises a considerable quantity of first-class lucerne land, on the banks of a good creek.

91. Do you think there is any probability of New Zealand potatoes finding a big market here?—I am not able to give any information about them.

92. *Mr. Luke.*] Were the hides you mentioned as having come from New Zealand for manufacture in this colony or for re-export?—They were sent to us for sale, and were bought by our tanners. Prices were better here than could be obtained in New Zealand for that class of hide.

93. *Mr. Beauchamp.*] Is the export of frozen beef and mutton falling off on account of the losses in sheep and cattle?—It has not decreased very much. Large numbers of female cattle

have been speyed, and thus became available for sale as beef cattle to export companies. The tenure of leasehold country is so uncertain that many pastoralists considered it better to spey their female cattle, so that they could readily turn them into cash, instead of having them on their hands when the leases of runs expired. Owing to the working of our Land Act, which does not provide for the renewal of the leases, many owners considered it better to deal with their cattle in this way; consequently there has been a large number of fat cows available for consumption.

94. How long is it since cattle suitable for export were selling here at £3 10s. and £4 per head?—They were never selling as low as that in my time and neighbourhood. We have, however, had a large surplus of cattle, and in 1890 we sent over 495,000 head of store cattle into New South Wales and Victoria.

95. And do you still continue to do a very large trade in that direction?—No, a small trade now. We have meat-works of our own, and our surplus cattle are sold for export.

96. Have you factories for preserving milk?—Several.

97. Are they producing for export as well as for local consumption?—I do not know whether the industry has reached that stage yet, but there is no reason why it should not succeed. I have not seen any New Zealand preserved milk sold in this market.

98. *Hon. Captain Russell.*] What description is that land on the Darling Downs which is being offered for sale at £3?—That would be beautiful rolling downs, in a great measure without timber—there might be an occasional tree—then a belt of timber, and then more rolling downs on the other side. Well watered for pastoral purposes; but I wish it to be understood that I do not consider that is the market price.

99. Is it capable of growing wheat?—Yes, very well, indeed.

100. What stock would that land carry?—There is a great difference of opinion on that point. Many people say that it will carry more than one sheep to the acre; but I believe, if it is to be kept in a marketable condition, it will not do to carry more than one sheep to 1½ acres.

101. Does wheat-growing not pay there?—The general opinion is that it does not pay; but I think there are reasons why it does not pay.

102. What is the system of cultivation?—They use “discs,” and have the latest machinery in use. I believe that ploughing and harrowing can be done as low as 5s. an acre.

103. Is that virgin land?—Land which has been already in crop.

104. Do they strip or reap?—I think they strip.

105. After they have taken a crop of wheat off, what do they do with the land?—They generally put it under lucerne for fattening sheep. The lucerne, under favourable circumstances, will stand for about seven years. The land on the creeks is much more suitable for lucerne than the rolling downs back from the creeks, only a portion of which would be suitable for growing lucerne.

106. What was the average price of beef per hundredweight, say, five years ago?—About 13s. to 14s. for fat cattle.

107. Did cattle-running pay at those prices?—No. I think cattle never paid very well until exportation of beef took place. A few years ago those who owned cattle owned an insolvent estate you might say. The meat-freezing has been our salvation; but the ticks have destroyed a great many cattle.

108. Is there any possibility of sending fat cattle from New Zealand to here and making the trade pay?—None whatever, because we can produce beasts cheaper than you can land them here.

109. *Hon. the Chairman.*] Can beef be exported at a profit at the present prices?—Our companies supply orders from Home *c.i.f.*; but if the demand from South Africa falls off these companies would have to shut up.

110. *Mr. Beauchamp.*] Will these companies give the grower the option of selling or freezing on his own account?—They do; but it is becoming more the practice with the companies to purchase.

111. *Hon. the Chairman.*] Do you think there is any chance of Queensland in the near future being able to supply her own requirements in oats?—That I could not tell.

112. *Hon. Major Steward.*] Can you give us, approximately by miles, the area of the Darling Downs?—The exact area is 6,067 square miles of settled districts, and 18,995 square miles of unsettled districts, or a total of 25,062 square miles.

113. Then, take the district you spoke of being so close to your border and as practically belonging to Brisbane: what would be the area of that district?—Three hundred or four hundred square miles on the Richmond River.

114. *Hon. Captain Russell.*] Is the outlet for that part of New South Wales through Brisbane?—We are building a railway to connect with their railway, which will bring that trade into Brisbane; it does not come here at present, but, owing to the peculiar lay of the country, and the fact of the railways approaching each other so closely, it will not be long before it comes here.

WILLIAM JAMES SCOTT examined. (No. 249.)

115. *Hon. the Chairman.*] What is your official position, Mr. Scott?—Under-Secretary for Public Lands.

116. What is the principal land-tenure in this colony?—The largest proportion of the land in the colony is held under pastoral lease for twenty-one and twenty-eight years without the right of purchase.

117. Is there a freehold tenure as well?—There is a provision for a freehold tenure, and there has been a considerable area alienated under that tenure.

118. Has the land been readily taken up under the leasehold provisions of your Land Acts?—The leasehold tenure has always been going on in one form or another. It was the first form of tenure provided in the colony, but there have been changes in the method of tenure, and almost all

the available land which is not under other tenures is now under pastoral lease. There is another form of tenure—the agricultural farm—which can be made into the freehold tenure. The new operations under the pastoral tenures are not many, and are only in connection with lands which have been forfeited.

119. Does that apply to Northern Queensland?—There are a great many forfeited runs in the Burke and Cook districts, but the operations are not many now.

120. What is the land principally held for?—Pasture.

121. Is there very much of the land which is held under the leasehold tenure available for agricultural purposes?—In one sense a very large proportion is agricultural soil, but it is not suitable for agricultural purposes for climatic reasons—the want of rain.

122. Are none of these lands naturally watered by rivers?—Some are in a sense, but many of our rivers in the interior are dry part of the year.

123. Are the lands upon which cereals are grown held also under the leasehold tenure?—No; they may be under the leasehold tenure, but they are convertible to freehold on certain terms.

124. Are there many forfeitures?—They were very extensive in certain parts of the colony, but last year an Act was passed by which a number of these runs will be taken up again by the same persons who held them before. In the extreme west, from the Gulf down to the South Australian border, a large area was held under a twenty-one-years lease in three periods—for the first period, 5s. a square mile; for the second, 10s. a mile; and for the third period, 15s. a mile—and when it came to the third period the forfeitures were very extensive.

125. Do I understand that the agricultural produce of this colony is not likely to be increased very largely?—I would not say that, because it is likely to increase very largely, but it will be in the coastal districts.

126. How far back from the sea-line do you consider the coastal lands extend?—From the coast back to the coast range.

127. How far is this coastal range back from the sea?—From about thirty miles to about a hundred miles.

128. *Hon. Major Steward.*] Do the leases under which the grazing-lands are held contain any conditions as to rotation of crops?—No.

129. Is it not the fact that amongst the land which is so held there is a good deal of land which could be devoted to agriculture?—It would be largely devoted to that but for the climatic conditions. The soil is fit for anything.

130. And you do not think it necessary to impose any conditions regarding rotation of crops in these leases?—No; there is no condition in any of our tenures regarding cultivation.

131. I ask the question because I was told last night that a great portion of your estate is likely to be absolutely ruined through everything being taken out of the ground, and that when the leases expire the lands are thrown upon the hands of the Government: is there anything in that?—I do not understand what your informant was referring to. We impose no conditions as to working the selections for agricultural purposes. Selectors are required to improve their holdings up to a certain value, but they can put their improvements in whatever form they choose.

132. With regard to the country known as the Darling Downs, is that under lease, or is it freehold or partially freehold?—The Darling Downs is a very large district. That portion you travelled over when you came here is practically all freehold property.

133. Have you much land left in the hands of the State which is suitable for agriculture?—Not a great deal.

134. Then, do you anticipate this large increase in the agricultural products through the improved methods of cultivation—irrigation, and so on—or because you expect a larger area to be put under cultivation?—On the coast, where we have repurchased a large quantity of land, there will be a larger production.

135. *Mr. Leys.*] Are you buying improved estates for closer settlement purposes?—We are buying freehold estates, but they are not very much improved. They have been used for grazing in the past.

136. Is there any large demand for agricultural land?—Yes.

137. Who does that demand come from? Is it from new-comers or from settlers who are already here?—From both. We are limited to £100,000 a year for the purchase of land, but we can find candidates from our own people for all we can buy. We also get some people from the southern colonies.

138. At what price do you resell these areas?—At as high as £6 an acre.

139. Do you sell them straight out?—We buy at a price, add a percentage to cover expenses, and we give selectors twenty years to pay it back, with 5 per cent. interest.

140. What area can a man take up under that system?—He might take up as much as 1,280 acres; but in administering these lands the areas are restricted in all instances, and in some down to 80 acres. About 160 acres is about the area taken up on the average by the small men.

141. With regard to that large strip inside the coastal range, is there any agricultural land in that?—Yes.

142. How is that held?—It has been taken up under various tenures.

143. Is it mostly held under lease?—It is very largely freehold, and large areas are now under the selection tenure of the Act of 1884.

144. Do you look to Queensland becoming self-containing in respect to all agricultural products? Is there a market here now for New Zealand produce?—I understand so.

145. Is it likely to increase?—The dairy industry has made great strides here, and they are exporting.

146. Do you think grain-growing will ultimately make similar strides through closer cultivation?—Yes; but it is not a matter I have gone into; it is rather connected with the Agricultural Department. The demand is very keen for agricultural land, and we cannot meet it.

147. *Mr. Beauchamp.*] Does that strip of land we came through by train suffer severely from drought?—It does not suffer from drought as other parts suffer.

148. What is the average rainfall in that district?—For Toowoomba it is 41.44 in., and for Warwick 28.77 in.

149. In connection with the payment of the lands you sell, does that 5 per cent. over a period of twenty years extinguish the interest and principal?—Yes.

150. Are you still leasing considerable areas of land under fresh tenures?—Yes; grazing-farms, with tenures of fourteen, twenty-one, and twenty-eight years.

151. How is that rent based?—On the carrying-capacity of the land, the minimum rent being $\frac{1}{2}$ d. per acre. 20,000 acres is the maximum that can be taken up.

152. Which is the most popular tenure?—The leasehold for grazing purposes.

153. What would be a fair value for the Darling Downs land for agricultural and pastoral purposes, separately?—We have paid as low as £1 12s. and as high as £3 13s. 8d. when we have bought it back. It has been used for pastoral purposes in the past, but it will be used for agricultural purposes in the future. It is rather expensive land for dairy purposes, and if they can get it under grain they prefer to do so.

154. Have you any idea what that land would carry in sheep or cattle?—I would not venture an opinion.

155. *Mr. Millar.*] What is the object of granting the freehold in agricultural land when you decline to grant it in respect to pastoral land?—Our tenants do not want the freehold of pastoral land; they prefer to pay a rental.

156. You give no option in pastoral lands?—No.

157. But you do in agricultural lands?—The latter is simply a purchase on deferred payment.

158. Have you much land available for sugar-cultivation?—Not much in our own hands. There are areas in the north, but they are inaccessible at present.

159. Can you tell me whether any definite proposals have been made by the Government for an irrigation scheme for the interior of Queensland?—I do not know of any.

160. Does your department in cutting up land add anything for roading?—Yes; we road the blocks, and add it to the rent; but nearly all these estates are largely roaded when we buy them.

161. Does your department grant any assistance to men going on the land?—No. We have an arrangement with the Railway Department whereby we put them on their land free, with their household effects, farm implements, and their families.

162. Does your Government grant relief to settlers in the event of bad seasons?—We give them time to pay their rents, but we have no power to remit rents.

PATRICK ROBINSON GORDON examined. (No. 250.)

163. *Hon. the Chairman.*] What are you, Mr. Gordon?—Chief Inspector of Stock, Brisbane. I have held that position since 1868.

164. I understand that a large portion of the stock in Queensland have died from the drought: is that so?—In the western districts there has been a very severe drought for nearly five years.

165. Are these droughts of frequent occurrence?—Yes. During my tenure of office there have been four pretty severe droughts, but not so long continued as the present one.

166. How are the runs restocked after a drought?—They recuperate very rapidly as regards the grass, but the difficulty now is to restock, because we cannot buy breeding-stock and ewes on this side, or in New South Wales.

167. Is the production of wool in Queensland increasing?—Yes, it did until the present drought.

168. Do you export as much live-stock from Queensland by sea as you do by land?—We export a large quantity of meat, but not many head of live-stock by sea. We send a large number by land; in fact, we supply the southern States with store cattle. We have more cattle than all the other States put together, but not sheep.

169. Do you think that this colony will be able to supply all its requirements in agricultural produce and stock?—I think so. We have virtually no winter here, and in ordinary seasons the cattle graze all the year round.

170. *Hon. Captain Russell.*] What price are two- and four-tooth ewes at now?—Between 16s. and 17s. In normal seasons the usual price would be about 4s. or 5s.

171. When do you imagine the country will be stocked up again?—It can only be stocked up again by the natural increase, and it will take at least five years. They can afford to take two crops of lambs in eighteen months, and sometimes two crops in twelve months.

172. What is the price of wethers now?—About 8s. and 9s.; for fat wethers up to 12s., and crossbreds up to 15s.

173. Is Queensland exporting frozen mutton now?—Very little; mostly beef, which is largely sent to South Africa, and this year there has been more profit out of the tinned meats than out of frozen meat.

174. Do you know the Darling Downs?—Well.

175. What is their carrying-capacity?—About 4 acres per bullock, but it has been overstocked for so many years that the natural grasses are not worth very much now.

176. Then, the stocking of the country has deteriorated it?—Very much.

177. How many sheep can they carry to the acre on lucerne here?—We have had as many as fourteen and fifteen sheep to the acre. On lucerne you would be carrying forty sheep to the acre in a year—you would fatten that number.

178. What is the value of such land as that?—The Government are buying it up for about £2 10s. and selling it at between £3 and £4, with twenty years to pay for it.

179. How long does the lucerne last?—In deep soil it will last many years, but if it be a light soil it will not last very long. It does not bear close feeding, because when the sheep eat down to the crown of the plant it dies out.

180. Supposing you laid down a favourable piece of land this year with lucerne, and you got a good crop, and you have four years of drought, is the lucerne lost altogether?—I should say so.

181. How often does a drought take place between Warwick and Toowoomba?—There have been four droughts during my tenure of office, but never such a severe one as this.

182. Does the Toowoomba district suffer by the drought?—To some extent; the eastern districts have not suffered so much as the western. I do not think the grasses have died out in the Darling Downs.

183. *Hon. Mr. Bowen.*] I suppose the small settlers cut their lucerne?—Yes; to supply the town here and other places with hay.

184. Does it succeed well that way?—I think they get about four and five crops in a year.

185. With regard to the grasses, you say that in the western country they have failed a bit lately?—They have disappeared for a while, but they will come again. The Mitchell grass never dies. In the drought of 1883 I know that the wild carrot disappeared from the downs for nearly eleven years, but it reappeared.

186. Then, they never sow the artificial grasses in the back country?—No. An attempt was made in the far interior by one squatter to make ensilage of the native grasses.

187. *Mr. Beauchamp.*] To what extent would you consider that the flocks of sheep have been reduced by the recent drought?—I should say over all by 51 per cent. I had a return last week from one run where there were 104,500 sheep on the 1st January, 1900, and the number this year was 5,000—that is a loss of 95 per cent.; but a fair average would be 51 per cent., because the loss has not been so severe in the eastern districts.

188. What has been the loss of cattle by tick and drought?—A good number has been lost since 1896, but that has been because we did not understand the disease; we were under the impression that all the deaths were from fever, but now we find out that only about 20 per cent. of the losses were from Texas fever, and the majority were from tick-worry, which we can now prevent by dipping.

189. You dip the cattle?—Yes.

190. What do you dip with?—Arsenic dissolved with soda, soap, and Stockholm tar.

191. Is there much land available for pastoral and agricultural purposes?—Yes. We have any quantity of land available for dairying, but agriculture will not pay unless the land is in close proximity to railway-carriage.

192. Have many cattle-stations been converted into sheep-stations?—Yes, a number before this drought.

193. Are they getting better returns from sheep than from cattle?—Yes.

194. What are store cattle worth?—£1 10s. per head on the station before the drought, but now they are worth £4 per head on account of the drought. We are getting £8 per head for fat cattle for the local butchers. We also boil down a lot of cattle for tallow, and we have rendered into extract a tremendous lot of fat cattle for the Liebig Meat-extract Company.

195. *Mr. Luke.*] Where are your freezing establishments situated?—We have two here, one at Gladstone, a large one at Rockhampton, one at Bowen, and one at Townsville.

196. Are they all kept going since the falling-off in the stock?—No; several are hung up, and only three are working, but all are starting this month. There is enough stock for freezing.

197. *Mr. Leys.*] Is the increase of stock sufficient to keep up the present export of beef?—Oh, yes; but it will not keep up the boiling-down works, which will have to be shut. It is not profitable to boil down for the tallow.

198. Supposing the meat-market declined, would it pay to boil cattle down?—Yes. If our cattle increase to seven millions we can reckon on 10 per cent. of them being turned off as fat cattle, and the balance we can utilise in some other profitable way.

199. *Hon. Major Steward.*] Do you breed horses to any great extent?—We have about 480,000 horses.

200. I was referring to the type of horse now in great demand for cavalry purposes?—We have a great number of weeds, but they have turned out to be just the thing for South Africa—of a light, rough, and hardy class. We have a large export of horses to South Africa and to India.

201. *Hon. Mr. Bowen.*] Will they take that sort of horse for India?—No; but they buy here for India.

202. *Hon. Major Steward.*] Does the Government do anything towards improving the breed of horses?—Nothing whatever.

203. About this tick: have you been prevented from exporting these cattle to the other States in consequence of the tick?—We are not allowed to export any into Victoria or New South Wales from the tick-infested portion of the colony; but it is a coast disease, and no cattle are exported into New South Wales from there. They go from the portion west of the coast range.

204. Is the disease increasing?—The cattle have become immune in the northern part where it first appeared, and they do not have any trouble with the ticks now.

205. Have you any industry for the manufacture of bacon and hams?—Yes; we have the largest factory in the Australian Colonies here.

206. Is that export growing?—Yes.

207. So that you do not require to import New Zealand bacon and hams?—No; we export to New South Wales.

208. Or butter or cheese?—No.

209. Do you think in the near future Queensland will be able to supply her own requirements in the matter of oats?—Maize is taking the place of oats as feed. I do not think oats are much grown here at all. We get some from New Zealand.

210. As regards wheat, you will have a considerable export by-and-by?—I do not know; we have to fight the rust here, and it depends on the season whether we have to import or not. We are not up to the exporting-point yet in wheat. If it is a muggy season we are sure to have the rust.

TUESDAY, 23RD APRIL, 1901.

Captain ALBERT WILLIAM PEARSE examined. (No. 251.)

211. *Hon. the Chairman.*] What are you, Captain Pearse?—I am one of the proprietors of the *Pastoralists' Review*. I am not a resident of Queensland, but I have been travelling in this State and in Australia for ten years.

212. What particular matter do you wish to bring before the Commission?—I want to show the Commission that under the present competition with certain countries it is impossible for us in Australia to grow wheat or anything else at a profit, and that it is absolutely necessary for us to have an Imperial zollverein.

213. Are you favourable to the present Australian Federation?—Decidedly.

214. Do you think it will come up to the expectations claimed for it?—I think it will lead to greater economy and less expenditure.

215. I understand you are in favour rather of an Imperial Federation?—Decidedly I am, because I consider it is impossible for us in this colony to grow wheat against the Argentine Republic without an Imperial Federation. The Argentine has very cheap labour, and can put wheat into London at 1s. 6d. and 1s. 7½d. per bushel.

216. Are not they subject to greater pests than drought in the shape of locusts?—They have not had a pest of locusts for three years. They have overcome that difficulty by sprinkling the land with acids.

217. Do you think the Argentine will be able to compete with these colonies in wheat?—It is doing so now. They are exporting this year 60,000,000 bushels of wheat, and it is a bad year.

218. How do you think this Imperial Federation should be formed?—There should be some scheme by which colonial goods should be allowed into Great Britain with a priority over the goods produced by cheap labour in a foreign country. Twenty-two thousand cheap European labourers are going down to the Argentine this year to take agricultural work, and their wages will be £2 5s. a month.

219. *Hon. Major Steward.*] Is the Argentine likely to be a serious rival to New Zealand in the matter of dairy produce?—A very serious rival.

220. Are they going in for dairying on a large scale in the Argentine?—Yes. One Danish company has rented 42,000 acres of land at £3,000 a year, and the manager has gone Home to get the best stud stock money can buy. This company has the very latest methods for producing the best butter and cheese. When I was in the Argentine they were turning out, in three big factories, 20 tons a day. But the possibilities for dairying are wonderful. The land at £7 an acre is equal to your land at £23 an acre, and there is any quantity of it.

221. *Mr. Leys.*] Is the system of agriculture as carried on in Australia generally anything like what it is in New Zealand?—Only in western Victoria, and possibly on the Hunter River.

222. Do you think there is likely to be closer settlement and better tillage in Australia?—Only in the coastal districts.

223. Do you think there will be a large increase in agricultural products in consequence of better tillage?—It is to be hoped so; but I do not think that New Zealand is likely to find any market here for its surplus produce.

224. Can you see any advantage that New Zealand would get from federation?—None whatever; it would be the other way. I think your laws are so far ahead of the Australian laws that it would place you at a great disadvantage to join. But I certainly think that you should join an Imperial Federation, to save your own people.

225. Is it possible to arrange such a Federation?—Mr. Chamberlain's scheme is the one I am speaking about.

226. Do you think Mr. Chamberlain could induce the people of England to submit to extra taxation for the purpose of benefiting the colonies?—The colonies are so much in favour in England at the present time that if deputations went Home from the Chambers of Commerce I think it would be arranged.

227. Is it your idea that foreign products should be subjected to a certain tax as against our colonial products?—As against the cheap labour of foreign countries. It is the only thing to do to save your own people. The competition of the Argentine will reduce the price of butter by 2d. a pound, as it has reduced the price of mutton already.

228. *Mr. Luke.*] Do you not think it will take many generations to reverse the present order of things in Great Britain in order to bring about Imperial federation?—Events move so quickly nowadays that you may see it sooner than you expect.

229. *Mr. Beauchamp.*] Do you know what would be a fair value for land for agricultural and dairy purposes in this State?—From 16s. to £1 an acre for dairying, and possibly £7 near the river for agricultural purposes.

230. One witness told us that land on the Tyson Estate was being offered at from £3 to £3 5s. per acre: I suppose that could not be described as dairying or agricultural land?—No; that is river land.

231. Have you discussed this Imperial zollverein question with many prominent people in Australia?—I have.

232. Is their opinion on the subject in favour of the zollverein?—They say, with me, that it is the only chance of keeping up the white man's wage.

233. Have you discussed the matter with Australian statesmen?—I have, with Mr. Bruce Smith; but the one who took the most interest in the matter is Sir William McMillan, and he is favourable to it, although at heart a thorough Free-trader.

234. Are there very large areas of land available in Australia for agricultural purposes that are not occupied?—Yes, but I do not think it will pay to grow wheat on them.

235. But it would pay to grow it for domestic consumption, would it not?—It would pay to grow for export, if Great Britain would put a small duty on wheat.

236. *Mr. Millar.*] You have been in England lately, Captain Pearse?—Yes.

237. What is the feeling there in regard to this question of an Imperial Federation?—I think the English people are so fond of Australia at the present time that they would do anything for us.

238. Knowing the growing feeling in England with regard to this matter, and seeing that you occupy a position in connection with the producing interest in Australia, do you not think it would be well for you to take the initiative in trying to make it a live-question?—So far as the *Review* is concerned, we are doing that every month, and strongly too.

239. What about the stock in the Argentine: can they beat these colonies in that respect?—Their herds are increasing enormously. To-day they have one hundred and ten millions of sheep, and in ten years they they will have two hundred millions. They have twenty-eight million cattle to-day, and they are increasing rapidly. They have from 700,000,000 to 800,000,000 acres of land, 60 per cent. of which is agricultural, and unless some preferential treatment is accorded to the colonies I can see no prospect of a market for our produce in Great Britain. Then, the currency is largely in favour of the Argentine. They sell for gold, and pay everything with paper.

240. Have you any idea of the freights from the River Plate to London?—I will put them in when I return the evidence. [Not received.] The grain export from the Argentine this year is valued at £20,000,000; 60,000,000 bushels of wheat; 500,000 tons of linseed; and 1,800,000 tons of maize. I have been on one block of land, of 200,000 acres of wheat, with five thousand Russians farming it on the "halves" system.

241. *Hon. the Chairman.*] Besides India, would not Australia and New Zealand have a large competitor in Canada in wheat?—Yes, but that is a white man's country.

242. Is there not a large amount of British capital invested in the Argentine?—Yes.

243. Which would prevent the British people from taxing produce from the Argentine?—That is true; it is nearly all British capital.

244. Then, what prospect would there be of the products of the Argentine being shut out from Britain?—To shut those goods out would help to bring about the democratic idea of keeping up the white man's wages; it is not so much the capitalist who is involved.

245. If it is found that other portions of the world can produce much more cheaply than we can in these colonies, does not that point to the fact that we shall have to direct our energies into some other channels?—We must thresh this matter out in the Legislatures of the different colonies, and find some scheme. There is a very big field in the Argentine for New Zealand goods in the shape of wool-presses, agricultural machinery, saddlery, and harness, and I wish to bring that phase of the matter before this Commission. It is only twenty-one days' voyage from New Zealand to the River Plate, and you could send them a lot of things in the way of agricultural machinery.

PETER McLEAN examined. (No. 252.)

246. *Hon. the Chairman.*] What are you, Mr. McLean?—Agricultural Adviser to the Department of Agriculture, Queensland. I have lived in this State about thirty-six years, and am acquainted with its resources generally.

247. What do you regard as the principal productions of Queensland?—Sugar, wheat, maize, barley, potatoes, hay, and nearly all kinds of fruit. The agricultural industry is increasing. Oats are grown principally for hay, and maize for horse-feed.

248. In your opinion, will the State of Queensland be able to produce sufficient produce for its own requirements?—Very shortly, and to export. We have been exporting a good deal of butter, but during the past dry season the export has ceased.

249. Do you think the export of butter is likely to increase?—Yes; but one difficulty we have is the want of facilities for getting it to the London market.

250. Do you think that cheese will be an item of export?—I have no reason to suppose that it will not, because we have heard very favourable reports on our cheese from London.

251. Do you think the manufacture of condensed milk will become an item of export?—I see no reason why it should not.

252. Have you any knowledge of the sugar industry?—A general knowledge. I was engaged in sugar-growing for a short time, but my land was not suitable for it.

253. Have you a knowledge of the sugar-fields in Northern Queensland?—Yes.

254. Is there any white labour employed there?—A good deal, principally in mill-work, ploughing, and a good deal of the field-work.

255. Do you think the sugar industry could be successfully carried on by white labour?—I am very doubtful about it. Some years ago the Parliament voted £50,000 to be advanced to growers to see whether it would not be possible to produce cane and sugar by European labour. Two co-operative mills were started under that provision at Mackay, and shortly after I was deputed by the Government to hold an inquiry into the state of those mills. I found that a very large proportion of the cane that had been crushed at the mills was produced by coloured labour, and, in fact, the day I left Mackay to report to the Government, one of the directors of one of these mills asked me if I would use my influence with the Government after I returned to Brisbane to get them a supply of kanakas. I turned round and said, "You take my breath away. You have got this money advanced by the Government after being voted by Parliament as an experiment to show

whether sugar can be grown by European labour, and you have entered into an agreement to do so, and now you ask me to use my influence with the Government to get you a supply of kanakas. I will do nothing of the kind."

256. You infer from that that sugar cannot be profitably produced by white labour?—Not in Northern Queensland. It is not so much a question that it cannot be produced; but we have not got the labour, and we cannot get it at the time it is necessary to take the crop off the ground.

257. Is there not a supply of white labour in southern Queensland available for the sugar industry?—There is very little sugar grown in southern Queensland.

258. Can you depend on the white labour?—I should say that you cannot.

259. In southern Queensland it is not a question that white men "cannot do the work," but that they "will not do it"?—Exactly.

260. What is the ordinary rate of pay for agricultural labourers in this State?—About £1 a week and found.

261. *Hon. Captain Russell.*] You say it is rather a question that the white man will not do the work than that he cannot do the work?—In southern Queensland.

262. Why will they not do the work?—My impression is that they have an idea that the production of sugar has been all along associated with coloured labour, and they object to certain kinds of labour which is a necessity in its production, and which they think should be done by black rather than by white men.

263. Then, you think there is the question of the "mean white" growing up, as in America—that it is incompatible for a white man to work where a black man is working?—There is a feeling of that kind.

264. What work is done in the fields by the blacks?—Trashing, stripping the dead leaves off the cane.

265. Is that mostly done by white men or black?—By coloured labour. Some white men work in the fields.

266. What proportion of white men is employed at that kind of work?—I could not say exactly. Some people in the southern part of the colony do not trash the cane, they burn it just before the crushing. They burn the trash, and cut down the cane immediately after.

267. Are these men who are employed in the trashing ordinary labourers or gangers?—Ordinary labourers.

268. What wages do they get?—About the same—£1 and found.

269. Have you had much experience in the sugar-fields?—I have been all over them many times.

270. Does the health of the men last?—Oh, yes.

271. The cane-fields are not injurious?—Not in any respect.

272. How is the health of the women who live in those parts affected?—The women do not stand the climate anything like as well as the men. They are confined to the house, and they have not the same amount of exercise that the men have.

273. How would a woman who has lived ten years in tropical Queensland compare with a woman who has lived ten years in southern Queensland?—A good deal depends on the woman. There are plenty of women who live in northern Queensland who are just as healthy as those in southern Queensland.

274. Are the women as healthy in northern Queensland as in Brisbane?—I think so.

275. And the children?—The children are healthy, and as strong and robust as those in the south.

276. Then, you would not be afraid that in the process of years the longevity of the women would be affected by living up there?—Not as a rule.

277. What proportion of the children grow up—as many as in the more temperate parts of Australia?—I could not answer that.

278. But from living there?—I never heard.

279. *Mr. Millar.*] I think you said that there was a difficulty in getting white labour to do this work?—Yes.

280. Do you think the wage question has anything to do with it?—I do not.

281. Do you think that a man would as soon go into the cane-fields and work for £1 a week as go to ordinary work at that price?—In southern Queensland he would, but in the north you cannot get them to do the work.

282. Have you in your experience ever found that the labour could not be got if you gave the money for it?—The quantity of labour is not there, and it could not be got there, because it is only for a limited period that the labour is required.

283. Is not the shearing only for a limited period in the west?—But the men follow it from one shed to another.

284. Is there any scarcity of labour amongst the shearers?—Sometimes there is, I understand.

285. Does not the fact that the wool is always got off point to the fact that where the monetary inducement is sufficient there you will find sufficient labour?—Shearing is very heavy work, but it is not the oppressive work that working in the cane-fields is.

286. How long does trashing take?—That all depends on how long you have to keep your cane. The mill is not always ready to take the cane.

287. During that period if the mill were not ready would you knock the men off?—Yes.

288. But supposing the mill were ready to take all your cane, how long would it take to do the trashing of 150 acres?—I could not say, but with several men in the field it would not take long.

289. That and the topping is about the only part of the work that is done by kanaka labour, is it not?—The trashing, cutting, topping, and hoeing. The white man does the ploughing, and the whole of the milling.

290. Do you produce enough maize for your home consumption?—Yes. I do not think we export much. Our average yield of maize is about 16 bushels to the acre.

291. Do you ever get two crops in one year?—Yes, a common thing; and we have any quantity of land to increase the output of maize should the market offer.

292. Is that average for a good year, or for a series of years?—That was the average for 1899.

293. *Mr. Beauchamp.*] What quality of oats can you produce?—Not first class; they do not seem to fill here as well as they do in New Zealand.

294. Are they Algerian oats that you grow?—We grow all kinds.

295. I suppose for feeding purposes oats would be rather too heating here?—I do not believe in that theory, that oats are heating. They are just as good for horse-feed as maize, and they are often mixed with maize—half oats and half maize.

296. Do you think you could grow all the oats for your own requirements?—We have not done so yet.

297. What could a man of average ability as a shearer earn as compared with a man working in the cane-fields?—I do not think there would be any comparison; the shearer can make much higher wages.

298. *Mr. Leys.*] Is trashing and cane-cutting very exhaustive work?—It is in northern Queensland.

299. Do you know of any other work so exhausting?—No.

300. Do you think the physique of the white man could stand the work continuously?—I do not think they could in northern Queensland.

301. Is it not a matter of experience that the white men have tried it and thrown it up?—It is reported so—that gangs of white men have taken contracts, and have worked at it for a certain time, and then have given it up. I have every reason to believe that that is a fact, but I do not know it from personal experience.

302. With regard to these kanakas, do you think from your observation that they are well treated?—I believe so.

303. Is there proper Government supervision over their housing?—Yes. They prefer to build their own houses, and form a sort of village.

304. Do you think that it is healthy for them to allow that?—I could not say.

305. There are reports that typhoid is rife amongst them: is that the case?—I have never heard of it. Dysentery is prevalent shortly after they come here, but, of course, white men are attacked as well as kanakas by that disease.

306. Do you think the mortality is greater amongst the kanakas than amongst the white people labouring there?—I believe it is.

307. What do you attribute that to?—To the change of conditions, which are entirely different from those prevailing in their own islands.

308. You do not think it is attributable to any systematic neglect?—I am sure that they are not neglected.

309. Is it very cheap labour?—It is not looked on as cheap labour, but only as reliable labour. I would not look upon it as cheap labour.

310. Do you think if white men could be got at £1 a week and found it would be as cheap as kanaka labour?—If they would do the work.

311. *Hon. Major Steward.*] Supposing a white man were employed, could he do as much work in a day as a kanaka could?—I think he could.

312. What is the pay of the kanakas?—£6 a year and found, and certain clothing and medical attendance.

313. How does this compare with the £1 a week and found which is paid to a white man?—The kanakas are a good deal of their time in their houses, and not in the field at work. I should say that the planter loses a very large portion of the kanakas' time, as they have their sicknesses, and a desire not to work. The first year of their engagement is practically lost.

314. Then, you think that the cost of white labour to the planter at the end of a year would not be greater than the cost of the kanaka labour?—I do not think it would be much greater; but you must understand that the planter would not be employing white labour all the year round, while he does employ the kanaka the whole year. He would only be employing the white labour a very short time.

315. Does the £6 a year cover the cost of introduction to the colony?—No; I believe it costs about £30 a head to indent a kanaka.

316. For how many years is he engaged?—Three years.

317. Is there any likelihood of the present Customs tariff being departed from, and oats being imported from New Zealand?—I do not think it.

Hon. ALFRED SANDLINGS COWLEY, M.L.A., examined. (No. 253.)

318. *Hon. the Chairman.*] You have been the Speaker of the Queensland Parliament, Mr. Cowley?—Yes, for six years. I am an ex-Minister for Lands, and have been a member of the Legislature since 1888.

319. Are you well acquainted with the districts in which the cultivation of sugar is carried on?—Yes; with every sugar district in the colony, but especially the north.

320. We are interested to know whether sugar-cultivation can be successfully carried on in Queensland by white labour: what is your opinion on that matter?—My experience extends from 1872 to the present time, and during the whole of that time, although several experiments have been tried, we have never yet been successful in cultivating sugar by white labour entirely.

321. What are the difficulties in respect to the employment of white labour?—The country north of Rockhampton is extremely hot and wet in the summer months, the average rainfall on the Herbert, Cairns, and Johnson Rivers being about 120 in. That heavy rainfall, combined with the

intense heat, makes it almost impossible for white men to work in the sugar-fields and to keep their health. Never yet have white men succeeded in doing the work, even though some have honestly tried to do it. One experiment was tried by the Government in 1885, when they determined to put a stop to the introduction of kanaka labour. In order to show that they believed the work could be done without employing kanakas, £60,000 was voted for the purpose of purchasing and erecting the necessary machinery for the manufacture of sugar. This money was lent to farmers—who were going to work on the co-operative principle—interest and redemption to be paid in half-yearly instalments extending over a period of twenty or twenty-five years. The conditions were that they were to grow the cane entirely with white labour, and white labour only was to be used in the mill. They tried the scheme for several years, but during the whole of that time they never paid to the Government a solitary farthing in the way of interest and redemption. They were unable to grow sufficient cane to keep the mill going; and eventually, through a flaw in the agreement, they evaded its provisions by leasing the land to others who employed coloured labour. The Government then, seeing what was going on, allowed them to employ kanakas, since when the mills have been a success.

322. We were told that in southern Queensland it is not so much a matter that the white labour cannot do the work, but that the white man will not do the work?—Yes, that is so; in fact, they are not to be obtained, as they can get work which pays them better and is more suitable. That applies with greater force to northern Queensland, because in the south white labour is more plentiful than in the north.

323. From your experience, what do you say will be the result if the employment of coloured labour in the sugar-fields of Queensland were prohibited?—I do not think there will be any cane grown north of Bundaberg, which is comparatively close to Brisbane. If coloured labour is entirely prohibited, then the sugar industry must die. I see nothing else for it, as it would be impossible to obtain the necessary white labour, even if the white men were willing to do the work. In 1883–84 I endeavoured to obtain ploughmen from Gloucestershire, England, to come out to Queensland, and I offered to pay their passages and the whole of their expenses from the time they left their native villages until they reached here, and to give them £50 a year, rations, and house. My agents told me that the terms were so good that they could get me as many as I wanted, and I told them to send twelve. Ultimately they sent only two, and said they could not get good ploughmen, as they would not leave their native county, even for a place where they would be so much better off. These two men came out, but, after working some time, they went off to the mines, and both made money.

324. Supposing the sugar industry were killed in Queensland, what effect would that have on the commerce of the State?—It would be felt in every industry in Queensland, because in the sugar industry we employ very large numbers of men, who have to be fed and also their families. It takes from 8 to 10 tons of cane to make a ton of sugar, and that has to be carried long distances. On some of our sugar estates we have from twenty to thirty miles of light railways, 2 ft. gauge, to convey the sugar-cane to the mills. Sugar itself is a bulky product. About 160,000 tons were made in 1898, for every ton of which we used at least a ton of firewood, as we do not use coal. All this employs large quantities of labour. Our supplies of horse-feed and stores for the men are drawn from the southern farmers and merchants. The northern boats are always full-up of farm produce of all kinds going from the south. Then, the foundries and engineering-works receive a great deal of their work from the sugar-plantations, because the plant must be kept up to date, and overhauled and repaired after every season.

325. I suppose this labour question was a burning one at the late Federal elections?—Yes; it was made so by Mr. Barton's manifesto.

326. Is it not a fact that members who favoured Mr. Barton's policy of a "white" Australia were returned for the sugar districts?—Yes.

327. How do you account for that?—It is a mystery to me, as the other side were so sure of winning. There is one Federal electorate which embraces six State electorates, and for these six electorates there are eight members, seven of whom are returned to the State Legislature all in favour of the employment of coloured labour, and one opposed to it; yet, while there are seven to one, and three of them Ministers of the Crown in favour of coloured labour, that electorate has returned to the Federal Parliament an anti-kanaka member. I put it down to the apathy of the other side, and to the prevalence of heavy rains in the north which prevented many men getting to the poll.

328. Do you think the result of the elections does not represent the true minds of the electors?—I am certain of it in this instance, and if the election was fought over again next week, it would result in a big majority the other way.

329. *Mr. Leys.*] What is the total value of the sugar output in Queensland?—In 1898 the total area under crop in this colony was 363,256 acres. Of this, there were 111,012 acres of sugar-cane; therefore the sugar-crop is nearly a third of the total area under cultivation. The area crushed for 1898 was 82,391 acres, and the yield was 163,734 tons, which, valued at £9 a ton, gave a return of £1,473,606, but that was our best year.

330. Are there any refineries in Queensland?—Two; but the bulk of the sugar is sent to Melbourne, Sydney, and South Australia to be refined.

331. *Hon. Mr. Bowen.*] And to Auckland?—I do not think so; you get it from Fiji, but it is the same company.

332. *Mr. Leys.*] What proportion of that amount would be distributed in wages amongst white labour and the farmers?—The bulk of it.

333. What is the average wage paid to the kanaka?—About £9 per annum. The number of kanakas employed in 1898 was 8,589, the total number of coloured labourers in connection with the whole of the industry not exceeding 11,000. We take other coloured men when we cannot get the kanakas.

334. Then, the proportion of wealth derived from sugar which goes to the coloured labourers is not very large?—No; and the kanaka never takes anything out of the colony, as his money goes to the storekeeper.

335. What rate of pay do the Chinese, Japanese, and Javanese get?—Double the kanaka's wage; but they are not paid unless they work, whereas the kanaka is paid the whole time.

336. Including the cost of introduction, wages, and every other charge, what will a kanaka cost a planter in a year?—We have to get them under Government supervision, and the cost of passage is from £22 to £22 10s. We also pay the Government £4 a head, as the person who employs the kanaka must bear the whole of the cost of introduction, his maintenance while in the colony, and the cost of his return to his native land—the latter costs £5—making a total of £31. If you divide that by three, the cost is £10 6s. 8d. per annum. The wages average £9, the lowest being £6; but sometimes we pay £15 for old returned boys. The rations cost about £13 a year, and we have to house them, clothe them, supply them with tobacco and pipes, and medical attendance, which brings the total cost up to about £37 6s. 8d. per annum. Then, there is the loss by deaths, so that they are dear labour as far as money goes.

337. Do you think that white men at £1 a week and found would be as cheap, if they could do the work?—I would rather have them at £1 and board, if they could do the work and if you could rely on them, but you cannot. The sugar-cane must be transported to the mills as soon as possible after it is cut, so that we must have a standing and reliable supply of labour. Sugar-beet can be dug up and taken to the mill for about 4d. a ton, because they will keep. It takes the same quantity of it to make a ton of sugar as it does of cane, but it costs 3s. a ton to reap a cane crop, put it on the trucks and convey it to the mill, so that it is absolutely essential that whatever labour we employ shall be reliable.

338. Is there any restriction on the introduction of Japanese here?—Yes, they can only be brought in with the Government's consent.

339. Does that restriction apply to all coloured labour?—There is no treaty with Java.

340. *Mr. Millar.*] Do you think the smallness of the wages paid does not largely account for white labour not being available?—No, because I have never employed a ploughman in the north under £1 a week and his rations, and yet we cannot get them. The bulk of them get £1 5s. a week; and I have offered them 2s. 6d. extra if they would stay the season through. A man would not take trashing at £2 a week, if he can get ploughing at £1.

341. Do you think the European can do the work properly?—Not for any length of time.

342. How long would a man be engaged in trashing?—About three months in the year.

343. Is that continuous work?—Yes; during the season when the cane is ripening we trash it twice before it is cut.

344. Are there any plantations where they do not trash, but simply put the fire through before cutting?—Not in Queensland.

345. In your experience of Queensland, have you not found that labour follows the work if remunerative wages are offered?—No.

346. What about shearers: there is never any dearth of them?—That is a different class of labour, but I have had no experience of shearing or what is paid for it.

347. Would not £5 a week attract men to the sugar-fields?—Nobody could pay it. In 1883 I had 120 kanakas taken away from the plantation I was managing. They were supposed to have been kidnapped, and the Government, after inquiry, thinking they were brought over under false pretences, took them away and returned them to the islands. It was just when I wanted to commence crushing, and, rather than lose the cane, I offered double the price for the reaping of the crop, trusting that the Government would compensate me for the difference; but I could not get it done. I had a 3,000-ton crop, and I made 1,280 tons, leaving 1,200 in the field. I could not get the labour, although I was prepared to pay 5s. or 6s. a ton for what I would have done with my kanakas for from 2s. to 2s. 6d. I failed to get the balance of the crop in, and I afterwards received £12,000 from the Government as compensation.

348. Assuming there was a regular sugar harvest season, and it was known that work was available there at fairly remunerative rates, do you not think that white labour would be attracted to the industry?—The result of our experience has been that the whites will not do the work. We have offered 1s. a ton more than we could afford for cane-cutting, but we have failed to obtain white men to do it. In several instances they have tried, but in no case that I know of have they kept at the work for more than two weeks consecutively. With a larger population, and a better class of men, it would be hard to say what could be done, because many of these men at times make such good wages that after making a cheque they go on the spree, and that is the difficulty we have.

349. Is there any connection between the Colonial Sugar Company and any of these mills here?—Yes; they own several of them.

350. Is this £9 a ton for unrefined sugar?—Yes. In 1882, I sold the whole of my crop of unrefined sugar to the Colonial Sugar Company, and I got £22 for it. The lowest that has been paid of late years was £8.

351. It seems to me that there ought to be a larger price paid to the producer than what is given?—It may be so; but when you take into account the fact that they find the bags, pay cash, bear the loss in the refining, and that they convey it all the way down the coast to the refineries, it is not a big margin.

352. 150 per cent. is a big margin?—They do not get that. We buy white sugars here as low as £14. They pay big dividends, and no doubt it pays them better to buy the raw sugar than to grow it. Nine-tenths of their cane is purchased from the small farmers, but they grow some.

353. You think that the climate is not suitable for Europeans, even if the profits will permit of them being paid a higher wage?—My opinion is that white men can do anything which negroes can do, and under any conditions; but they will not do it, and their health, in fact, will not stand it.

354. Are the sanitary conditions sufficiently good to prevent typhoid among the kanakas?—Very great attention is paid to that matter now. We have established hospitals, and employ a doctor to visit the plantations once a week, and if a man is ill he is taken at once to the local hospital, where, if it is found to be a bad case, he is attended to by the medical men.

355. Have you heard anything about certain things that are said to exist at the present time?—Only from what I see in the paper.

356. Then, you have not heard that a doctor was sent down to a certain place, and refused to have anything to do with the patient?—No.

357. Looking at it from the effective point of view, how is this country generally going to be affected if any amount of coloured labour is allowed in one portion? And how would New Zealand be affected if she joined the Federation?—I suppose you would get your sugar at a cheaper rate than you otherwise would.

358. What is to prevent these coloured people spreading into every part of the Commonwealth?—The kanakas cannot.

359. But the Japanese and Javanese—if you find them necessary for the purpose of cultivating Northern Queensland, what is to hinder these people spreading over the whole of Queensland and the other parts of the Commonwealth?—I do not know that there is anything to prevent them coming here if they can find employment, unless the Federal Parliament passes prohibitive legislation. They are fully able to do that.

360. You would not desire to see an influx of that labour, would you?—I am not an advocate of coloured alien labour excepting the kanaka labour, which in no way competes with our white labour, but is entirely confined to work that our whites are not accustomed to, and in regard to which every penny spent in feeding and clothing the kanakas, and also for their wages, is returned to the whites again.

361. Looking at it from a Federal point of view, do you not think it would be advisable, if the Government were satisfied that this industry can only be carried on by coloured labour, that they should limit it to a certain area of latitude, and hold those who are responsible for importing that alien labour liable if it gets beyond that area?—I do not know that that would be fair. I do not think that those who import the labour for the good of the Commonwealth should also bear the expense of the police as well.

362. But are they doing it for the good of the Commonwealth? Are they not doing it for the good of the individual?—How can you separate the two?

363. Assuming the 23rd parallel of latitude were fixed as the boundary over which the coloured labour should not go, would it not be fair, if any got away beyond that latitude, that the expense of sending them back should be borne by the employer?—I do not think so.

364. You do it now with the kanakas?—No. After the kanaka works his three years he is free to go to any part of Queensland or New South Wales; but so long as he remains in Queensland he cannot engage in any work except tropical agriculture, and his last employer is responsible for his return passage. Directly he goes into New South Wales we have no control over him. If he wishes to go home we are compelled to send him, but we cannot send him against his will.

365. Is there any large proportion who ultimately settle in the colony?—None of them settle now. Twelve years ago a few settled, and then, when the Act was amended, it was taken into consideration that these men had come in under different conditions from those then existing, and they were exempt from the law relating to kanakas; but since that time no kanaka has been allowed to embark in any occupation excepting tropical agriculture. If he declines to work he can live with his friends until he sees fit to work. After the expiry of their three years' engagement some of them wait perhaps three months and then re-engage at a higher rate, but the agreement must be deposited with the Government so that they can be always traced.

366. I think you said that the result of the last election did not represent public opinion?—Not in the sugar districts.

367. Do you have the same franchise for the Federal Parliament that you have for the State Parliament?—Slightly different.

368. Would not that account for it?—No. The difference is explained by the fact that the one party polled all they knew and the other only one-half.

369. It was not because it was the first election under the one-man-one-vote?—It could not make that difference. It is very rough travelling in the month of March in the northern districts, and great difficulties were experienced from the flooded creeks. Unless people are really interested they will not run the risk of being seized by an alligator for the sake of recording their votes. There was no excitement about the Federal election, as people did not understand much about it, and were quiescent. In the draft Commonwealth Bill of 1891 provision was made that all Asiatics and coloured aliens, with the exception of the Maoris, should be dealt with exclusively by the Federal Legislature; but when the present Act was passed in 1898 that was altered, and the exclusive right was taken away from the Federal Parliament, and was vested in the State Parliaments until such time as the Federal Parliament saw fit to deal with it. When that alteration was made we believed it was enacted with the special object of allowing the State of Queensland to deal with the kanaka question, and the whole of the sugar-planters and those interested in sugar voted for federation on that understanding. It is only reasonable to suppose that when the power was taken from the Federal Parliament we should have believed that it would be left to us, and we voted for federation on that understanding. The North Queensland vote carried the day for federation in Queensland; but now we find that we have been bitterly deceived, and that the very men who drafted that clause and made the alteration are now the first ones, practically, to give effect to the original Bill and to take into the hands of the Federal Government the power which should have been left in the hands of the State Parliament.

370. How is federation going to affect New Zealand?—That is a big order. I am a Federalist. I think ultimately it will work for good.

371. Do you anticipate the reduction of the State Parliaments and the increase of the powers of the Federal Government?—It is hard to say, after Mr. Barton's manifesto regarding a "white" Australia, what will happen. I thought the Federal Government would be formed of honest, capable, and conscientious men; but look at their action in dealing with that question. I thought they would have allowed the matter to rest, at any rate, until the State most deeply concerned had requested them to deal with it.

372. Do you not think the people of the several States, after the Federal Parliament has legislated on the different questions set forth in the Constitution Act, will clamour for a reduction of the powers of the State Parliaments?—No. I think the benefits to be derived from the federation of the States will more than repay them for any disabilities in that respect.

373. You do not anticipate that the State Parliaments will be eventually wiped out?—No.

374. What will the Federal Parliament do after it has legislated on these thirty-nine articles?—They will have to administer the laws; and look at the benefit we get from intercolonial free-trade!

375. Do you think that will repay the sacrifices made by the States?—I think so, and I certainly think the defence of the colonies can be better carried on by a Federal Government than by each State acting on its own account.

376. You think New Zealand would be similarly benefited?—New Zealand is further away, and is under different conditions to us.

377. *Hon. Mr. Bowen.*] You said you would rather have kanaka labour than any other: do you mean that they work better?—I said I would rather have kanaka labour than any other coloured labour. They work better and are better behaved.

378. Has coolie labour been tried on the plantations?—No.

379. Are you aware that it is being used in the Mauritius by an arrangement with the Indian Government?—Yes. I used them for several years in South Africa.

380. Were they satisfactory?—Yes; but the Natal Government made a mistake when they introduced them. They were engaged for five years straight away with one employer. They received 10s. a month the first year, and an increase of 1s. per month for each succeeding year. At the end of five years they had a free pass, and could either return to India, at their own expense, or, if they worked for other employers in the country for another five years, they could obtain a free passage back to their island or a grant of land. That was the mistake. The grant of land induced them to stay, and they became rather a nuisance to ordinary labour.

381. If the kanakas failed, could not the coolies be introduced to advantage?—Yes, on the condition that before the expiry of five years they should be returned to their homes. If they were put on board a ship and returned before the expiration of that term no ill-effects could arise, and they would constitute a very suitable class of labour for us.

382. It was mentioned that some farmers put a fire through the cane instead of trashing: is not that a very injurious process?—It is not only injurious, but very dangerous, and it is rarely resorted to unless it is an enormously heavy crop. On some of the rich virgin lands in the north in a fair season we get as high as 110 tons of cane per acre. That is a heavy yield, and you cannot trash that. In some instances, when we have a heavy crop we burn the trash so as to facilitate the cutting, but it is a very dangerous work, because on a hot day you might burn 100 acres. It does not spoil the cane if it is crushed at once, but fermentation sets in after a certain time and a percentage is lost, and the manufacturers will not give as much for the burnt cane as they will for the cut cane.

383. Practically, your opinion is that the sugar industry is impossible without the employment of coloured labour in this colony?—Yes, north of Bundaberg. South of that town it might be possible, but the industry would not be a great success.

384. And the only alternative for the employment of coloured labour would be to leave the country unoccupied?—The land already cultivated could be turned into dairying country.

385. *Hon. Captain Russell.*] When did the sugar industry first become of any importance in Queensland?—About the year 1870.

386. Is there much land not at present in sugar which is suitable for sugar-cultivation?—As much as under crop. In the electorate I represent we have about two thousand square miles of scrub land of dense jungle. It is very suitable for sugar.

387. But further west, is there much land fit for sugar?—We cannot grow sugar in the west. No sugar is grown twenty miles from the sea.

388. I mean along the sea-coast?—I know a couple of rivers where there are 50,000 acres suitable for sugar-growing, but there is not a single mill there.

389. Would it be rash to assume that the amount of land suitable for sugar-growing is two, three, or four times as much as there is in the north?—Twice as much, at least.

390. Then, would Queensland look forward to the possibility of supplying the whole Commonwealth with sugar?—We can do it now in a good season. In 1898 we exported to Canada because we grew more than Australia could consume.

391. Then, you assume that for years to come, if the industry were conducted on even lines, Queensland could supply the whole of the Commonwealth with sugar?—Yes, if we can get the necessary labour.

392. Is the industry increasing or standing still?—1898 was our biggest yield, but since then we have had very bad seasons. The approaching season will not be good.

393. I mean the area under cane?—The area under cane is not a criterion, because it is the yield per acre you must reckon by. Unless the mills increase in number it is not easy to increase the area. The present milling-power is quite sufficient to cope with 180,000 to 200,000 tons. In good seasons the lands under crop would yield nearly 200,000 tons.

394. What is the average gross value of an acre of sugar?—In 1898 we had 1.99 tons—say, 2 tons per acre—that at £9 per ton gives £18. Our yield of maize during that year would mean £2 15s. per acre, and of wheat £1 19s. The average yield of maize that year was 20 bushels.

395. Might we assume that £15 to £20 would be a fair average gross yield for an acre of sugar?—Yes; that is, where the manufacturing is combined with the growing. A large amount of cane is grown by the small farmer, who can do the work with a few kanakas, and he can get double the work out of the same number of men that a large plantation can. The average yield throughout Queensland in 1898 would be about 18 tons of cane per acre, and that is worth to the farmer, as it stands in the field, 10s. a ton.

396. But we want to get the value of it to the State: what is that?—The value to the State is about £18 when it is manufactured, but the cost to the mill-owner is about 13s. a ton, which the farmer will get for the cane cut and delivered on the tramway.

397. What is the relative cost of producing a ton of equal quality sugar from cane and from beet-root?—I cannot give you that exactly, not having taken any interest in the beet-sugar question.

398. Have you any idea at all?—I think the beet can be grown on an average at about £2 to £3 a ton less than the cane.

399. What area is subject to that extremely heavy rainfall?—From Port Douglas down south to the Herbert, on a coast-line of about two hundred to three hundred miles. It does not extend more than about fifteen miles back to the main range.

400. What are the conditions of life there to the European family?—It is habitable to the Englishman, but we all like to get away.

401. But take the case of a labouring-man who cannot get away?—The labouring-man, as a rule, does go away, and even the married man too.

402. His family too?—They take it turn about.

403. But supposing the time comes when a man cannot afford to go to the hills?—It is not a bad climate. I lived there from 1875 to 1878 and was only twice away.

404. Why will not the white man work?—He only works at this industry till he can get work that suits him better.

405. You think it is not a matter to be considered that the European will not be able to permanently occupy the country?—I think, myself, that they will.

406. Can you give us any illustration in the world where a European is living under these conditions?—I do not know of any where there have been the labouring-class.

407. You say the sugar industry is only thirty years in existence?—Practically.

408. Is it not likely that the climate will affect succeeding generations?—I think it will.

409. And you think they will not be as strong as the present generation?—I do not think they will. I have always sent my children away south, for the reason that they do not seem to have as much stamina as the southern children.

410. Why did the ploughmen you offered the extra 2s. 6d. to refuse it?—They said it was too hot. These men are working in the hot sun, and the heat is too much for them. The bonus applies more particularly to the men who are engaged for the season, and not to the permanent hands.

411. Are there any other tropical industries in that part of the colony?—Yes; coffee.

412. Does that depend on coloured labour?—Yes. We have grown tea, but not spices. The nutmeg grows wild. The country is suitable for those things, but we have not the labour.

413. I suppose we might take it that the country is suitable for tropical industries?—Yes.

414. And you believe that no tropical industry can be carried on without coloured labour?—Yes; not to pay, at any rate.

415. Supposing the Commonwealth decides that you are not to have coloured labour in any of those industries, will the country remain unutilised and those industries lapse?—That is my opinion, and I have no hesitation in saying so.

416. Supposing you were to offer 25 per cent. higher wages, could you get the white man to work under those circumstances?—No; and unless we had very great protection we could not afford it.

417. Do you think it will be possible for the State to regulate in the future the influx of coloured labour into Australia? Or will not the law of nature be stronger than the law of Mr. Barton?—I think it will.

418. Do you look forward to northern Australia being occupied by coloured labour?—Purely with agriculturists. I do not think the country can be possibly developed without the assistance of coloured people.

419. *Mr. Beauchamp.*] Have you formed any idea as to the amount of capital invested in the sugar industry?—In 1899 I was on a Royal Commission to inquire into the sugar question, and the result of our investigations showed that it was about £5,000,000, and since then you might fairly estimate that there has been another £2,000,000 invested in it, making it £7,000,000 at the present time. The money advanced by Parliament for co-operative mills is £600,000.

420. Is there anything in the idea that white labour considers it *infra dig.* to work in the sugar-fields?—No; our white men work alongside the kanakas, but they do a different class of work, and they live on the very best of terms together.

421. Is there a dearth of white labour in the country districts generally?—Yes.

422. Can you conceive of any advantages that New Zealand would derive by joining the Commonwealth?—I do not know enough about New Zealand to answer. I have never visited your colony.

423. What is the temperature of this country?—It ranges as high as 119° in the shade in the summer, while in the sun it is burning.

424. Can you explain why the output of sugar has increased whilst the number of kanakas employed has diminished?—One great reason is that the scrub lands, which were formerly cultivated by hand-labour, are cultivated now by ploughs and implements of other kinds. Another reason is that, while previously the bulk of the sugar-cane was grown on large plantations by kanakas

working in gangs of from three to four hundred, now north of Bundaberg fully 90 per cent. of the cane is grown by small farmers, who use about seven or eight kanakas, and they get far more work out of them working alongside of them than the original planter could by employing them in large gangs.

425. What work does the farmer do himself?—He works with the implement, and the kanaka follows with the hoe.

426. What is the production?—For the seven years ending 1892, when there were doubts as to the further introduction of kanakas, because the Act was passed in 1885 prohibiting their introduction after 1890, the average output was 54,000 tons of sugar; and for the seven years ending 1899, after the kanakas were reintroduced (in 1892), the average output was 105,718 tons, and that was brought about with less numbers of coloured labourers than previously.

427. *Hon. the Chairman.*] Do you think there is any probability of the difficulties you have mentioned in connection with labour being overcome by the introduction of proper machinery?—We have been trying for many years to get a machine that will cut cane, and large rewards have been offered in the United States, where the men are very keen after these things, for a machine which would do the work of cutting, but it has never yet been invented. One of our inventors has solved the difficulty, he thinks, and he is taking his patent to the States to try and perfect it. Our Government have assisted him, and the planters have also helped him, and if he proves successful it will certainly enable us to do the cutting with whites instead of blacks. But the same weapon will be put into the hands of our foreign competitors in other parts of the world, where cane is grown with black labour.

428. But will it reduce the probability of your wanting black labour?—Yes. I am of opinion that if the invention is what we hope it will be it will to a great extent overcome the difficulty—at any rate, so far as harvesting the crop is concerned.

429. Could that machine do the trashing?—No; the cane is too much tangled up.

Hon. ARTHUR RUTLEDGE, M.L.A., Acting-Premier of Queensland, examined. (No. 254.)

430. *Hon. the Chairman.*] How long have you been connected with politics in this State, sir?—Nearly twenty-three years.

431. Are you satisfied with the provisions of the Commonwealth Act?—I am fairly satisfied with them.

432. Have you considered how the public finances of the smaller States will be affected under the provisions of that Act, having regard to the fact that the Customs duties are handed over to the Commonwealth?—The fact that the control of the finances arising from Customs duties has been handed over to the Federal Parliament will, no doubt, create for a time a little disturbance in the State of Queensland, but I do not foresee any permanent disadvantage to the finances of this State. It may necessitate this State having to have recourse to some other form of taxation to make up the deficiency created by the handing-over of one-fourth of our Customs revenue to the Commonwealth.

433. Do you anticipate that under an £8,000,000 tariff a deficit will be created?—A slight deficit in our finances.

434. How will that deficiency have to be met?—I am afraid, by direct taxation.

435. What provision would then be made for the prosecution of your public works?—They are usually carried on out of loan-money.

436. Do you anticipate that the States will have any difficulty in raising future loans through having parted with the control of the Customs?—I do not.

437. Do you think that the States as they exist now will continue to exist for all time under the Commonwealth?—For a very long time, with the exception that it is not improbable that there may be a division of what is now the State of Queensland into at least two States.

438. Do you anticipate that there will be any absorption of the States by the Federal Government, and that a Union will replace the present Federation?—I think not.

439. What are the probable advantages which you consider will be gained by the federation of the different States?—There are now a great many difficulties experienced through the States having different laws on certain subjects, which will be obviated. Take the question of the naturalisation of aliens, and the laws relating to copyright and patents, marriage and divorce, and quarantine. Then, there are the advantages arising from possessing a uniform system of defence, under one common head, by which greater efficiency and economy would be secured; also the advantage to be gained by the recognition, in all the States, of the laws of each, and the execution of legal process for the enforcement in any State of judgments pronounced in any other; also the benefits arising from the existence of one general law relating to such subjects as insolvency, quarantine, weights and measures, bills of exchange, and foreign corporations. There are also others which might easily be enumerated. To have one set of laws relating to those subjects will be of infinite advantage to the whole of Australia, rather than as at present—separate laws.

440. As regards judicial matters, are you satisfied with the constitution of the Federal Court of Appeal?—Yes. I think the alteration which was made in clause 74 of the Commonwealth Act, chiefly at the instigation of Queensland, has done a great deal towards reconciling many of the opposite views held with regard to the right of appeal to the Privy Council from the Courts of the several States.

441. Do you understand that there is an alternative right of appeal offered to the Federal Court of Appeal or to the Privy Council excepting in certain matters?—Yes.

442. Beyond intercolonial free-trade, can you suggest what advantages will be gained by New Zealand joining the Commonwealth?—The chief advantage would be that all the colonies in the southern seas would be able to speak as with one voice upon matters of international importance, particularly in regard to the condition of things existing in Polynesia. It is probable that in the

future international difficulties might arise in connection with the administration of the affairs of Polynesia, and it would be to the very great advantage of the British race generally in the southern seas if New Zealand united with Australia in expressing what were the views of our race in this quarter of the globe in respect to these matters.

443. Supposing under the operation of the Commonwealth Act any of the smaller States got into financial difficulties, how do you take it that such difficulties would be dealt with by the Commonwealth?—It is provided in the Act that in a case of need for a certain time the Commonwealth may stand by a weak State.

444. You mean that clause which provides that financial assistance might be granted?—Yes.

445. How do you anticipate that relief will be given?—That is a matter upon which I can hardly express an opinion. It will depend a great deal on the circumstances of the State involved. Persons more experienced in finance than I am could give a better opinion on that subject than I can, but one can readily conceive that there are several ways in which the Commonwealth could come to the rescue of the weaker State, particularly in the matter of the payment of interest on loans.

446. Would it be by way of gift or advance?—Probably by way of advance in the first instance or by way of security.

447. Do you think the sugar industry in Queensland can be maintained without the employment of coloured labour?—In its present state of development I have no hesitation in saying that it cannot.

448. Is there any arrangement for the introduction of Japanese into Queensland?—There is an understanding between the Government of Queensland and the Government of Japan that a certain number of Japanese may be introduced to replace those who return to their native country.

449. Are they allowed to come in without the payment of a poll-tax?—Yes; and the number is limited that can come in by one ship. They must also have the authority of their own Government to come before they are allowed to land.

450. Are they allowed to settle in the country, or must they return to Japan?—They are admitted under engagement to serve a certain number of years, at the expiration of which they are to be returned to their own country.

451. *Hon. Captain Russell.*] Supposing Queensland were divided into two States, what representation would it have in the Senate?—Of course, each State would have the same representation in the Senate as the whole State now has. Each division would return six members to the Senate, and the number of the representatives in the House would depend on the population of each State. That would involve a reduction in the number of representatives Queensland now has from nine to the number to which it was found each new State was entitled on the basis of population. There was a special clause relating to the election of Senators in Queensland when the Act was first drafted, but we did not take advantage of that Act.

452. Supposing you divide Queensland into northern, southern, and central Queensland, do you imagine that you would have eighteen Senators?—No; if there were only provincial divisions, which we thought at one time of establishing here, Queensland as a whole would not be entitled to return more than six Senators. If, however, the Commonwealth Parliament should, with the consent of the Queensland Parliament, divide Queensland into two or three States, then each of those three States would be entitled to the same representation.

453. Only, I presume, if they were admitted as original States?—No. The Parliament is entitled to dictate terms in the case of States which do not come in as original States; but I scarcely think the Parliament of Queensland would be prepared to accept any proposed law emanating from the Parliament of the Commonwealth with respect to the division of Queensland into two or three States that did not give each State equal rights with all the other States.

454. But would it not be to the advantage of Queensland to be divided into two or three divisions if, instead of six Senators for the whole State, you had four for the northern and four for the southern, making eight in all instead of six?—I am not prepared to say whether the Parliament of Queensland would be satisfied with an arrangement of that kind. It is only a question of time when the central and northern parts will possess a population equal to the entire population of Queensland itself now.

455. But do you anticipate the possibility of the division of Queensland into separate States?—I do.

456. Under those circumstances, what Senate representation do you imagine Queensland will have?—Each of the States would demand equal representation in the Senate with the other States.

457. Supposing Tasmania were to be absorbed by Victoria, what would become of the representation of Tasmania in the Senate?—If it became absorbed by and became part of the State of Victoria, then, I apprehend, the representation would be in the case of the Senate six for both States, and the representation to the House would depend upon the population of the combined State.

458. Then, in other words, the Constitution Act depends entirely upon the absorption of Tasmania and the division of Queensland?—I cannot say, though I take it it is hardly likely that Tasmania will ever consent to be absorbed by Victoria or any other State.

459. Supposing the position to be such as required it—in Tasmania we were told that their finance would be a very difficult matter to arrange, and that they cannot carry on without assistance from the Commonwealth—will that not point rather to a unification rather than the federation of Australia?—I am quite satisfied that a unification will never be accepted by the Commonwealth.

460. Have you considered the question of Imperial federation, as to whether it is a dream or possibility?—I am disposed to think it is a dream on the part of visionaries.

461. Do you imagine that the entry of New Zealand into an Australian Commonwealth would tend to Imperial federation or to check it?—I do not see at present that it would have much effect one way or the other.

462. Do you think that Australia being one power and New Zealand being another power, and possibly Polynesia being a third power, in these seas, it would be more likely to lead to Imperial federation than if they were all massed into an Australian Commonwealth?—I do not think so.

463. You think that the aggrandisement of power by the Commonwealth would tend to check Imperial federation?—I think so; it is quite likely.

464. Supposing Australia were one power, New Zealand and Fiji another, and the Pacific islands were another, do you not think it would be more likely to lead to Imperial federation than if those three domains were massed into one?—I think it would have no effect.

465. There has been a deal of irritation, has there not, in connection with the colonisation of New Guinea?—Yes; a good deal of dissatisfaction has been expressed that at the time when New Guinea was annexed—illegally, it must be admitted—by the Government of Queensland that action was not indorsed by the Imperial Government.

466. What part in the future do you imagine English New Guinea will play in the Australian Commonwealth?—I do not think it will play a very important part, except that it will serve as an outlet for the exercise of British enterprise.

467. And where will the administration of British New Guinea lie—in the Imperial authorities or in the Commonwealth authorities?—Probably with the Commonwealth, though I do not know that the policy which is at present being pursued would be likely to be immediately altered to any material extent.

468. And that policy is?—That policy is that New Guinea is really administered subject to the control of the Government of Queensland, in association with the Governments of the other contributing colonies.

469. Do you imagine that the question of the colonisation of New Guinea may lead to international disputes?—Not unless there is an attempt to colonise that part of New Guinea which is now subject to German and Dutch influence respectively.

470. But supposing that they do colonise, and we have every reason to suppose that that is their policy, what will happen then?—It is very likely, then, that New Guinea will be administered by the Government of the Commonwealth rather than by the Government of Queensland, and that might be very advantageous.

471. Do you think it will lead to questions of international policy, and friction between ourselves and the German and Dutch Governments?—I think not.

472. You have no apprehension, then, that the Commonwealth might be involved in European politics through the colonisation of German and Dutch New Guinea?—None whatever.

473. Assuming that what one gathers from the papers is correct, and that there will be a revenue, rather than a protective, tariff for the Commonwealth, how will that affect the revenue of Queensland?—Not at all materially, for although the Queensland tariff is nominally protective, yet, in view of what is contemplated by the more southern States, it would practically mean a revenue tariff only.

474. Then, you do not imagine that any tariff that may be imposed by the Commonwealth will materially affect the financial position of Queensland?—I think not.

475. Have you any land-tax here?—No, excepting that we have a tax imposed by the local authorities. The whole State is divided into either boroughs, shires, or divisions, and there is a tax imposed by the local authorities on unimproved values of land for the purpose of constructing roads and bridges, and other such local requirements. That is the only thing we have in the shape of a land-tax. There is no Government land-tax.

476. How do you imagine the people would stand a land- and income-tax?—I am quite satisfied the people of Queensland would very strongly resist any attempt to impose a land-tax in addition to the taxes which have to be met by the owners of land under the system of local government which prevails in this colony.

477. Is there any form of income-tax?—No.

478. Then, you are a very blessed people, I should say?—Very.

479. And you think there would be the greatest dissatisfaction at any endeavour to impose a land- and income-tax?—I am quite satisfied that any attempt to impose a land-tax would be strongly resisted, and, of course, there would be dissatisfaction at the imposition of an income-tax, as the general run of people do not like any form of direct taxation, although I am of opinion that the income-tax is preferable to a land-tax for Queensland.

480. *Mr. Millar.*] How do you think the present Constitution is going to affect the different States in regard to enacting progressive legislation?—I do not think it will affect them in the slightest degree, because on all subjects, excepting those that are handed over to the exclusive jurisdiction of the Parliament of the Commonwealth, the several States have the same right to legislate that they have now.

481. Assuming that you in Queensland desired to pass a Factories Act reducing the hours of labour to forty-five hours, do you think you could possibly do it and still conserve the interests of your manufacturers and employers whilst forty-eight hours were the hours of labour all round you?—I think so. There is no reason in the world why legislation to that effect should not be passed by the State of Queensland.

482. You think that a State with the full knowledge of the outcome of such legislation—that it might have to pay for it—would pass such legislation?—It all depends on whether we thought we had the material conditions which gave us a superior position over other States in the Commonwealth in regard to particular branches of manufacture.

483. Is the tendency not likely to be that no State would dare to make that forward movement now?—I do not think so.

484. Do you not think it would have been better, from purely an Australian point of view, if the Federal Government had had the power to legislate on such questions as those of the factories laws?—I do not think so, because the conditions differ in each State. There are climatic and other advantages or disadvantages which operate in one State and not in another.

485. Do you not think an Act could have been passed which would have made matters pretty equal: the climatic conditions are not so vastly different as to handicap seriously any particular State?—Excepting in tropical Queensland, where they are vastly different from the conditions of Tasmania, New Zealand, and Victoria.

486. Are you at all likely to have manufactures established in those torrid regions?—We are not likely to have manufactures established in those regions that could under any circumstances compete with the manufactures of New Zealand, Victoria, and Tasmania.

487. In regard to social legislation, do you think that as beneficial results can be obtained by the State legislating on these questions as would have been obtained by a uniform law passed by the Federal Government?—I think so.

488. Has there been any estimate made of the cost of an old-age-pension scheme for Australia?—I do not think there has been any real attempt to ascertain what the cost of an old-age-pension scheme for this State would be, but, judging from what has transpired as the result of inquiries made elsewhere, I think it will be found that the cost to the whole of Australia would be very great. That is one of the proposals of the Federal Government.

489. Then, there is also a feeling floating in the air that a system of penny-postage ought to be introduced throughout Australia: has there been any estimate made of the loss of revenue if penny-postage were introduced here?—I think an estimate has been made for Australia in this connection, but I really could not give the Commission any authentic information upon the subject. I am satisfied, however, that the attempt to introduce penny-postage throughout Australia would result in very serious loss to the whole of the States.

490. Until such questions as these have been placed on some definite footing it is absolutely impossible, I presume, for any State to conclude how much revenue it will get out of the Customs duties which the Federal Government are allowed to retain?—I think so. I think penny-postage and old-age pensions would absorb the entire 25 per cent.

491. So that any estimate given at the present time as to the cost of the Federal Government must be really problematical?—To a great extent, but I do not say wholly.

492. But, knowing that these two things are controlled by the Federal Government, you do not anticipate that there will be any return of revenue after those questions have been dealt with?—I do not think so. But it has to be borne in mind that it does not follow that the Federal Parliament will immediately proceed to establish an old-age-pensions law or the penny-postage. These measures might be deferred until the aggregate amount represented by the one-fourth from each State would represent a much larger sum than can possibly be paid out within the next year or two.

493. But have we not the definite assurance of Mr. Barton and Mr. Lyne that the duties are to be on a 15-per-cent. basis? Do you anticipate that a 15-per-cent. *ad valorem* duty all round is going to bring in a much larger sum than that which is got by the State at the present time?—Personally, I do not think a 15-per-cent. duty would be a fair revenue duty; it is too high.

494. But would it not require that to bring in the £9,000,000 they estimate they require?—I am not sure about it. The Treasurer might be able to speak with more certainty on that point.

495. Do you think sufficient study had been given to this question of finance before the colonies went into federation?—I think as much study has been given to it as might be given to any subject upon which men have not had actual experience. Of course, in a matter of this kind we have to take a great deal upon trust, and to anticipate the greater development of Australia as a whole under federation than has been experienced under the separate State conditions that we have now. I do not think we shall, all of us, be inclined to be satisfied with the present rate of increase of the population, or with the present rate of actual development of our natural resources.

496. Why do you anticipate from federation a much larger increase?—Because I think the people from the Old World will be likely to show more confidence in the country that is a united country such as the Commonwealth would be than they would be in separate States competing with one another, and leaving them in a position of uncertainty as to what the actual condition of things was. Canada as a Dominion has attracted infinitely more population from Great Britain and Germany than she would have secured if she had never developed into a united Dominion.

497. But Canada has formed its Dominion on a totally different basis from that of the Continent of Australia?—Undoubtedly, the basis is materially different; but there it is—a Dominion under a Central Government, and the people abroad have more confidence in a country which is ruled by a great Central Government than in one which consists of separate States having conflicting interests, and often antagonistic to one another.

498. But would that confidence be extended to a Central Government if it is known that the Central Government is securing the greater part of the power of taxation?—I do not know whether that is the principal point to which persons proposing to embark capital devote special attention.

499. But persons proposing to invest do look to that point, do they not?—I think in that case that there would be much more disposition on the part of investors to lend money when it was known that the Continent of Australia was administered under one Government than when it was under six separate Governments entirely independent of each other for all purposes.

500. Then, you approve of unification?—No, I do not.

501. Then, you still have six or seven Governments if you do not have unification: is that not so?—We have the possibility which exists under the Commonwealth of the unification of the whole

of the State debts, and the Commonwealth may take over the railways of the several States, and may become the one responsible party to the foreign creditor.

502. If that takes place, I presume the States will only be able to borrow through the Federal Government?—It would be a matter of arrangement between the Federal Government and the State Government. They would borrow the money subject to the approval of the Commonwealth Government.

503. As a member of the Government, can you tell us if there has been any proposal on the part of the Government for a complete system of irrigation in the interior of Queensland?—No. The question of the irrigation of Queensland is a very large one, but there exist on the statute-book of Queensland laws regarding local irrigation, some of which are likely to be availed of in the very near future.

504. We have been told that one of the matters with which the Commonwealth Parliament will deal will be the irrigation of the interior of Australia, and, naturally, if that takes place, we look upon it that we will be called upon to bear a portion of the expenses of such a scheme: do you think that would be the case?—Of course, a great deal depends on what is meant by the irrigation of Australia. I do not think that any system of irrigation such as we stand in need of now would be at all applicable to the circumstances of the interior of Australia. My opinion is that a very considerable portion of the interior of Australia, particularly in the South Australian territory, is below the present level of the sea—that is also the opinion of well-known engineers—and that if any engineering-works were carried out with a view to admitting the waters of the ocean into those lands the gain and benefit to Australia as a whole would be enormous as affecting the character of the rainfall. In such a case as that, if the cost were not insupportable, I do not doubt that all the Australian States would agree to bear the burden.

505. That would be a case in which New Zealand would not benefit, although Australia would. In the event of such a scheme being propounded and carried out, and New Zealand being a State of the Commonwealth and having to contribute to it, I presume we would be fairly entitled to an equal expenditure of public moneys in the direction of giving us more rapid communication with Australia by sea or some other public works of a like nature?—Undoubtedly, the Commonwealth would consider that question, and give you what you were entitled to.

506. How do you think New Zealand would be affected by the fact of this State allowing alien labour to come in without restriction?—I do not think that any State in Australia, as far as my knowledge goes, is in favour of the unrestricted introduction of Asiatic labour into any part of Australia. The people of Queensland, while a large section of them are content with the introduction of kanaka labour at present as being indispensable to the success of the sugar industry, are equally emphatic against the unrestricted introduction of Asiatic labour. A vast difference exists between the kanaka and any other form of coloured labour. The kanaka is simply a sort of superior animal. He has no intellectual capacity, nor is he inclined to engage in those occupations in which the Europeans engage. He has no adaptability. He has none of that Asiatic cunning which characterizes the Chinese, the Japanese, or the natives of India, and he is content if he gets his food and lodging and his wage, and is sent back to his islands on the expiration of his time. On the other hand, the Chinaman, and the Japanese, and the Indian labourers are clever; they are more or less intellectual; they are imitative, inquiring, and have a knowledge of figures. They are able to adapt themselves to the ways of business, and this puts them in a position to rival the European artisan or labourer, or even the European shopkeeper. And because of that, and because they are able to work at a rate that would not be remunerative to a European, it is felt that their presence in any number in our midst is a danger to the well-being of the community. But that objection cannot exist in the case of the karraka, who cannot under any circumstances come into competition with the white working-man. The nature of the work which is done by the kanaka during the summer is of so trying a character that the European constitution cannot stand it. He seeks no more than his wage and maintenance; he does not want to extend his operations beyond the cane-fields, and he is sent back to the islands at the expiration of the time.

507. What restrictions have you on the Japanese and Javanese?—The Javanese we do not admit at all.

508. But are there not a large number of them in the north?—There are some there. But we have no provision for admitting any more of them.

509. Is there any provision for excluding them?—For excluding them from some occupations. There is a statutory provision for preventing them engaging in the pearl-shell fishing, but those who were most anxious to secure that legislation now very deeply regret it, as they do not know what to do for divers, and the industry is languishing for want of divers to get the shell.

510. And you think it would be possible to continue the importation of these people and still confine them to certain things?—If that is done they can be confined, say, to pearl-shell diving, just the same as the kanaka is, under our Polynesian labour laws, confined to tropical agriculture. A man is liable to be fined heavily if he engages a kanaka in driving his buggy, or in any other form of labour that a white man can do.

511. Are they not bound to be sent back to the islands from whence they came?—The policy of the State is to send back men at the end of their time.

512. Have you much labour legislation affecting the workers of this colony?—We have a Shops and Factories Act of the most liberal character in favour of the workers; it was passed last year. We had one before, but this late one is of a much more comprehensive character.

513. There is no Wages Board attached to it?—No.

514. You have no legislation regarding wages here, nor hours of labour?—No.

515. And no Apprentices Act, or Workmen's Wages Lien Act?—No. Bills for objects of this kind have been introduced, and I see no reason why some of them should not be passed in the near future.

516. *Mr. Beauchamp.*] Have you a Chinese Restriction Act?—Yes; we have an Act dealing with the introduction of Chinese, which enacts that only a certain number of Chinese can be brought to Queensland as passengers—I think it is one to every 500 tons of a ship's registered tonnage—and if there is a breach of that Act there are all sorts of penalties provided, including the seizure and sale of the ship in default of payment of penalties.

517. Have you any industries that are developed largely by a policy of protection?—The bootmaking industry probably benefits by protection, such as we have, and the jam-making, and a few others of that kind; but they are not of large dimensions. Sawmills and foundries have also been assisted by that policy.

518. How do you think these industries are likely to be promoted by inter-State free-trade?—I think in this State there are many industries which ought to depend on the facilities which exist for procuring the raw material, and the result of inter-State free-trade in their case would be that, instead of having a number of little struggling industries carried on without much success with only Queensland for a market, we shall have southern capital introduced, and these industries with the whole of Australia for a market would be put on a strong foundation. Then, with our natural advantages in the possession of abundant raw material, and the application of superior intelligence, experience, and more capital, we shall have those industries in a much more vigorous condition than they are now.

519. How are you situated as regards coal?—We have enormous deposits of coal in the Ipswich district, and also near Maryborough.

520. Is there any New Zealand timber used in Queensland—kauri, for instance?—There is a certain amount.

521. You have a timber in this State which is very similar to our pine: what name is it known by?—It is usually called "pine."

522. Have you a large supply of that?—Yes, within reasonable distance, but it is rapidly diminishing. We have also cedar and many varieties of good hardwood.

523. You are of opinion that a "white" Australia is not possible?—Not in the absolute sense in which some people understand the term. I believe in a "white" Australia with a certain reservation which would be applicable to the kanakas under the conditions we have now, because until we have discovered some means by which machinery can do the cane trashing and cutting we shall require labour that can endure the terrific heat which is experienced in the rows of sugar-cane in the summer-time in the tropical portion of Queensland.

524. It has been suggested that in the event of our not federating friction might arise sooner or later with the Commonwealth in respect to the control of the South Sea Islands: do you think that would happen?—I do not. I would, however, rather put it this way: that friction would be much more likely to be avoided by the union of New Zealand and Australia than by New Zealand remaining a separate State.

525. Referring to the question of State loans, do you think that we would be able to raise them under the Commonwealth as cheaply as they are raised now by the various colonies?—More cheaply.

526. Do you think there would be a difference in the price we would have to pay for a State loan and a Commonwealth loan?—I think so.

527. What do you think the difference would be?—It might be 1 per cent., but I think certainly it would be $\frac{1}{2}$ per cent.

528. *Mr. Luke.*] Do you supply your own wants in coal, or do you import any?—We supply all our own needs.

529. Is there any iron-ore in your State?—There is some.

530. Has there been any attempt made to manufacture iron?—No.

531. Is your ore in close proximity to the coal-deposits?—No. The fact is that in regard to the mineral deposits of Queensland we have only been scratching the surface in a few places.

532. Is your coal a good burning coal? Is it equal to Newcastle?—It is not superior to Newcastle, but for practical purposes it is quite equal. It, however, tends to break up. It is a good coal, and some of it is preferred by some steamship companies to Newcastle coal.

533. Is it easily and cheaply shipped?—It is close to the water.

534. Have you no Employers' Liability Act other than the old Act?—We have the English Employers' Liability Act—not the very latest. One has been before our Parliament for two sessions, and I think there is a growing feeling in favour of the bulk of its provisions being passed.

535. Have you any large engineering and iron factories?—We have engineering industries in Maryborough principally, and also in Brisbane, which are able to compete with the foundries of Ballarat and other places.

536. Do you manufacture your own locomotives?—We do; in Brisbane and Maryborough, at Walker's (Limited).

537. Is most of the machinery for mining purposes manufactured in the State?—A very large proportion of it.

538. *Mr. Leys.*] Has any estimate been made of the effect on the State finance of Queensland by the Federal Government taking over the Customs and excise duties?—I can scarcely answer that; there has not been any analysis of the financial position.

539. Do you anticipate you will have to impose some direct taxation for State purposes when the Federal tariff comes into operation?—A difficulty has been created by the duration of this terrible drought, which has lasted four or five years, and has crippled Queensland in respect to one of its chief industries to what extent it is difficult to estimate. It will depend on the seasons in the immediate future as to whether we shall be in any way embarrassed by the deduction of one-fourth of our Customs revenue.

540. To what extent does Queensland control New Guinea?—All the Ordinances which are passed by the Government of New Guinea are submitted to the Governor of Queensland, who

causes them to be submitted to the Attorney-General before they are approved. They must be approved by the Governor of Queensland before they have the force of law.

541. Have you any voice in the appointment of the Governor of New Guinea or his Executive?—No; the Governor appoints his own Executive, and there is no actual control in respect to the appointment of an Administrator of New Guinea by the Government of Queensland. That is done by the Imperial Government itself.

542. Have you any control over the sale of Crown lands?—No, excepting with regard to the passing of laws which regulate the sales of land. There is a control in that respect.

543. Does not that system lead to friction?—It has not hitherto. There was a question of administration as to whether it was desirable for the Governor of New Guinea to attempt to alienate a large portion of land without reference to the contributing colonies. The contract for the sale of certain land broke down, and the company who had contracted to buy the area—some 250,000 acres—are now seeking compensation from the Australian Governments for the losses they incurred in connection with their preliminary expenditure and the failure on the part of the Government to carry out the contract.

544. Does that not look as if you had all the responsibility without the control?—It was a question of administration as to whether it was desirable for the Government of New Guinea to attempt to alienate so large a portion of land without reference to the contributing colonies.

545. Does the Imperial Government pay anything towards the cost of governing New Guinea?—They pay something.

546. Is it as much as the colonies pay?—No. I am not prepared to speak from memory on that point, but I think the fact is that the Imperial Government pays very little.

547. Do you think the Federal Government will not insist on having the complete control of New Guinea?—I do not know that it is certain that they wish to do so, but it would be rather a relief to Queensland if they would.

548. Do you think the islands will not be taken over and administered by the Federal Government?—It all depends upon whether these islands are considered to belong to Australia as a whole. New Guinea is considered of great value from a strategical point of view as well as from a commercial point of view.

549. You said you thought that if New Zealand were to unite with the Commonwealth their united voice would be brought to bear more satisfactorily on the Home Government when any question of the administration of these islands was concerned. Now, supposing the interest of New Zealand in the islands differed from the interest of the Australian Colonies, would not our interests be sacrificed?—I can hardly conceive of a condition of things where the interests of the two countries would be antagonistic.

550. If that is so, is there any danger at all of friction?—I think it is reduced to a minimum, and not worth taking into account.

FRANCIS KENNA examined. (No. 255.)

551. *Hon. the Chairman.*] What is your occupation?—Journalist. I am the editor of the *Worker* in Brisbane. I have resided all my life—thirty-six years—in Queensland.

552. Have you studied the question of the sugar industry in Queensland?—I have lived in various sugar districts in the North—at Ingham, north of Townsville, and in Bundaberg on one occasion for four months.

553. What is your opinion as to the possibility of the sugar industry being continued without the aid of coloured labour?—My opinion is that the industry could be carried on all right without coloured labour.

554. Do you include kanakas?—I do.

555. Do you think that sufficient white labour would be available for the prosecution of the industries?—I certainly do. At the present time there are large numbers of unemployed who would be only too glad to undertake work in the sugar-fields if they had the opportunity, and the wages paid would enable them to make a decent living out of it.

556. Are there many white people employed in the industry now as labourers?—I am not prepared to say how many are employed, but sugar is being grown in Queensland by white labour.

557. Do you know of any other industry in which the work is so distasteful to a white man as the sugar industry?—I do, and I have in my mind the work of a fireman on a northern coastal packet, which is a more onerous and disagreeable occupation than working in the sugar-fields.

558. Can you instance any other occupation besides that of a fireman?—Working on the railway-cuttings on the Chillagoe Railway-line, west of Cairns, is a much more laborious occupation than working in the open cane-field.

559. Are those cuttings done by white labour?—I think one of the conditions is that they can only employ white labour.

560. Do you think that the white labourers in Northern Queensland can continue for a period of years to do the work in the sugar-fields there?—I do. My opinion is supported by that of Mr. Knox, the late managing director of the Colonial Sugar Company; Mr. Gibson, one of the largest growers in Bundaberg, and others.

561. Do you think that machinery can be successfully used in the cultivation of sugar in Northern Queensland and do all the work that is required of the coloured labour?—I do; and I think the cheapness of the labour at present used has prevented the introduction of machinery.

562. *Mr. Leys.*] If labour-saving machinery were introduced, in what way would the unemployed population gain?—I do not use that as an argument in favour of settling the "unemployed" question as much as I do against the present institution of black labour.

563. As I understand your argument, a lot of the unemployed cannot get employment now in Queensland in ordinary avocations, but if the sugar industry were available to them they would get employment; if they introduce labour-saving machinery I suppose they would still not get employment?—Probably not.

564. Do you think cane cutting and trashing with the thermometer at 119° in the shade in a humid atmosphere is work that you can expect white men to engage in?—I hold that whatever the black man can do the white man can do and do better. When it comes to a matter of physical endurance I believe the white man is superior to the South Sea Islander.

565. But do you mean to say that centuries of acclimatisation have given the black man no advantages in working in a tropical climate?—I think his advantages are outweighed by centuries of hard work and by the adaptability of the white race to all climates.

566. Can you mention any instance in the world where white men are doing hard manual labour under tropical conditions?—I can instance you mining in Croydon, where the temperature is often much higher than 110°.

567. Where is Croydon?—It is in the Gulf country, about the latitude of Cooktown, but inland, and it has a very dry and sultry climate.

568. But they are working underground?—And overground also.

569. Do you think that kind of work is anything like as exhausting as working in a close cane-brake with a torrid sun overhead?—It may be different; but I think a better analogy would be a man breaking stones or digging in one of the northern railway-cuttings.

570. Is it not a fact that cane-trashing is a particularly exhausting work?—I have never been able to clearly understand what the difficulty is with respect to this cane-trashing or the necessity for it. Some people claim that the work is very trying on the hands, while others claim that it is the dense heat that prevails in the cane-brake that makes it exhausting. I think that the man who goes into a dense northern scrub to fell scrub is working under more trying conditions than a man who works out in a cane-brake.

571. But even this scrub occupation is very intermittent, is it not? Do they go on year after year felling scrub?—I think it is no more intermittent than the occupations in the cane-field or than other tropical outdoor work.

572. Is it not a fact that the Government started two sugar-mills to test this question of doing the work by white labour only and that both of those mills failed?—It might have been so, but I never heard of it before.

573. We had the evidence of two public officials to that effect?—I suppose the Commission is aware of the central-mill system which has been established here, and of which that possibly might have been a part?

574. Yes; but these were two mills which were started conditional on white people only being employed in the production of the cane and the work in the mills: have you heard of that experiment?—It is the first I have heard of it. The central-mill system started on the distinct promise of Sir Thomas McIlwraith that coloured labour should be done without. The Labour party endeavoured to get a clause inserted in the Act to this effect, but, after a "stonewall," accepted Sir Thomas McIlwraith's promise in lieu thereof.

575. But did they not take cane from plantations where they employed kanakas?—They did.

576. Was it not one of the conditions that they should not take such cane?—That was the original condition, if I recollect rightly. I am justified in saying that Sir Thomas McIlwraith promised that black labour should not be employed in connection with these mills.

577. Was it not the case that they could not get a supply of cane with white labour, and had to fall back on the black labour?—I do not know of any authentic grounds for saying so.

578. If we had the official statement of the Inspector who investigated the matter that this was the case—that the State was asked to remove this condition because the cane could not be obtained by white labour—would you not be satisfied that the statement was correct?—I am dubious about accepting the opinions of officials who are very largely influenced by the opinions of the party in power.

579. But these were Government officers?—Yes, I understand you. I have been a Civil servant myself, and know that a Civil servant's opinion on a political subject-matter is largely moulded on the opinions of his chief or of the party in power.

580. But this was a statement of fact; do you think a public official would come before us and deliver a statement as to a matter which had occurred within his own knowledge and place it on official records if it were false?—I can only say that I am not aware of any central mill having been established here with the object of testing the question as to whether sugar could be grown by white labour.

581. I understood you to say that those mills were, within your own knowledge, started with that condition?—But the conditions were never fulfilled.

582. They got the money, and they get it still. Why was the condition never fulfilled?—Because of a lax style of administering the law and fulfilling the promise made by the Ministry at the time.

583. We were told that there was a flaw in the agreement?—Even flaws are sometimes convenient.

584. Have you anything to support your opinion that sugar can be grown by white labour?—Yes. The position of the sugar industry in Queensland, it must be remembered, can be divided into three stages—sugar-growing, the manufacture of raw sugar, and the refining. The two first are practically at the mercy of the latter—a monopoly exercised by the Colonial Sugar-refining Company.

585. We are told that sugar cannot be grown by white labour?—That is so. I think that the kanaka, Asiatic, and also white labour is already being employed in the growing of sugar in Queensland. There are sugar-farmers in the sugar districts who grow their cane successfully by white labour. In Cairns at the last meeting of the Mulgrave Central Mill a shareholder named Swan and another gentleman connected with the mill named Mueller strongly advocated the employment of white labour.

586. But do you know of any instances where cane is being grown in the northern districts without the assistance of coloured labour?—I cannot for the moment quote a specific instance, but there are many such instances.

587. Then, it is merely your own opinion that it may be?—Yes, founded on facts which I cannot give *impromptu*.

588. *Mr. Beauchamp.*] If it is admitted that this labour is of so trying and exhausting a nature, would you, as a worker, compel white men to go into the cane-fields when they can get so much more employment of a more congenial character?—It is all a question of wages. The rate of wage paid in sugar-growing is determined by the price of black labour. The white man will not go into it, because they do not pay him a white man's wage. Give the white man decent wages and there will be no more difficulty in obtaining white labour for sugar-growing than there will for any other industry.

589. At what wages do you think white men would be prepared to undertake work in the sugar-fields?—About £1 5s. or £1 10s. a week and keep.

590. Do you believe that £1 5s. or £1 10s. a week and found would induce white men to work in the cane-fields, or that there would be any difficulty in getting them?—Not at present.

591. We have been told that there is a great dearth of labour in many districts throughout this State: do you hold that view?—I hold it to be untrue. Nearly all the western country is overrun with men seeking employment at the present time.

592. *Mr. Millar.*] And how much alien labour is employed in the sugar-fields?—It has been asserted that twenty thousand white men are employed in connection with the industry. These figures I have publicly challenged, and I asked for authentic records to show that it was so; but I have never yet met any person who can give authority for saying that that number of people are employed. I do not believe one-third of that number are employed. Last year, according to the Registrar-General's returns, there were 8,795 kanakas, and also that year in Queensland there were 10,076 Chinese, 3,063 Japanese, and 2,357 other aliens, showing a total of 15,496. Of these coloured aliens, about twelve thousand would be employed directly on the sugar-fields.

593. We have it in evidence that £1 5s. and found is the wage given now to ploughmen on the sugar-fields, and they would not remain at that: is that so?—There are two things to be considered in that connection—one is, what the food is like. I believe the white man's food is governed very largely by that of the kanaka, just as his wage is. But I never heard that there was any difficulty in getting ploughmen for the sugar-fields.

594. Have you any knowledge of the shearing-sheds away out west?—A fair knowledge.

595. Would you think that the work of shearing in the western districts is as arduous as working the trash in the cane-fields?—Certainly.

596. Have you ever known any dearth of men for shearing?—Never.

597. Would that be accounted for by the fact that men make fair wages at shearing?—Possibly.

598. Do you think if a fair wage was offered for the sugar-work, and that men knew that they would be required at certain seasons of the year, by that means a sufficient quantity of white labour would be found to do the whole of the work?—I do.

599. And do you think that white labour would go there for £1 10s. a week and found?—I do.

600. What do the shearers get here?—£1 a hundred nearly all over the colony, excepting on the Darling Downs, where living is cheap, and they get 17s. a hundred.

601. Would he average £1 a day during the season?—I think so.

602. Do you imagine that £1 10s. a week and found would tempt them to go to the sugar-fields?—I do, under existing conditions.

603. With regard to the general labour conditions outside the sugar industry, is there any labour legislation in Queensland beneficial to the workers?—I do not know of any.

604. Did not they pass a Factories Act last session?—The Factories Act scarcely affects grown-up men. The Early Closing Act does, and it is the only piece of what you might term labour legislation that I know of. There is no Conciliation and Arbitration Act, no Minimum Wage Act, and no Wages Board. Lately the day-labour system has been tried in connection with the building of a few railways, when a minimum wage was fixed.

605. Do you think there is any probability of any labour legislation being passed during the next few years?—I think there is a possibility of the Labour party being able to get such legislation passed, provided we can obtain the "one man one vote."

606. Do you think there is any probability of obtaining "one man one vote"?—Not if our opponents can prevent it.

607. In view of these circumstances, do you think it would be advisable for New Zealand to federate?—I opposed federation here for two reasons: one because here in Queensland we had a distinct Labour party, which formed the Opposition, and which embraced twenty-three members in a House of seventy-two, and which was the outcome of ten years' organization and agitation. It seemed to me that it was only a matter of a short time when the Labour party would govern this colony. I believed it would have been to the interests of Queensland workers had they concentrated their attention and energies on the capture of the local Parliament, and not have bothered themselves about federation. That is why I believed we should have been much better off than embarking on an undertaking of which nobody could see the results.

608. But would it be well for New Zealand to come in?—The circumstances of the two colonies are not unlike.

609. Do you think if New Zealand joined that she would be of material assistance in furthering the democratic movement?—I think the accession of New Zealand would mean a liberalising of the Legislature of the Commonwealth; but if I were a New-Zealander I am inclined to

think that I should feel that it would not lead to the progress which she has been making, and which she is likely to make in the future, being continued.

610. *Hon. Mr. Bowen.*] Our object is to get at the facts of this business about coloured labour, and we had absolute evidence that double wages have been offered to men to take the labour in tropical parts, but that they gave it up as a bad job and went away—either that evidence must be true or deliberately false, that is the point?—Generally speaking, I do not believe that that evidence is correct.

611. Then, I ask you, do you know of any tropical country in the world where white men have been able to work in the open cane-field and do the actual manual labour of cane-cutting and trashing, and do it continuously?—I do not; but I think that results from the fact that coloured labour dominates in all tropical countries and renders the competition of white men impossible.

612. Do you think it is advantageous that the white race should be asked to work at a labour that will mean deterioration to the race?—I think there is a greater danger of the race deteriorating through mixing with a coloured alien population.

613. The negro?—Yes.

614. Can white men without ruin to their health work in the tropics in the fields at sugar-planting?—I think I am justified in saying that they can, and I know of no reason why they cannot. The average mortality of the kanakas is far and away higher than that of the white workers.

615. We have it again in evidence that the small farmers employ in small numbers the kanaka labour that was formerly employed in large gangs by companies, and that in that way these men manage to bring their sugar into the market in a way that will pay them: is that correct?—That may be so, and I hold that if I to-morrow were to embark in sugar-growing I should be compelled to employ kanakas by reason of the competition around me of those small growers.

616. But the competition was as to the price of sugar?—I do not think the competition is world-wide. I think it results from the monopoly of the Colonial Sugar Company. They hold a refining monopoly and pay very large dividends, and have carried forward very large reserves for the last ten years. If you cut down the refining industries here in which large profits are made, and I hold that these profits are made at the expense of the sugar-grower, you will do the right thing, because it is the monopoly which compels the grower to resort to the cheapest labour.

617. *Hon. Captain Russell.*] Can you give me any idea what profit the raw-sugar grower gets?—I could not offhand.

618. Surely that has something to do with the rate he can pay for producing?—I think the sugar-grower and the raw-sugar manufacturer on the average only make an ordinary profit out of it. I should say, roughly, that the raw-sugar grower would only make about 5 or 6 per cent. out of his industry.

619. And that is done by employing this kanaka labour?—It is done through squeezing the grower and causing him to employ cheap kanaka labour.

620. Supposing he were to pay double the price for his labour, what would be the result?—The result to the cane-grower of having to pay an extra amount for white labour would be an extra expense on the raw-sugar manufacturer, who would pass it on to the refiner, who would either have to pay it out of his large dividends or get it from the consumer.

621. Do you think the employment of white labour would completely change the nature of the industry?—I do not see that it would.

622. If a man only makes 5 per cent. with the cheap kanaka labour and he pays double for his white labour, what percentage would he then earn?—The monopoly would still hold him in its clutches and allow him to make no more than he did previously.

623. Would he be worse off?—I do not think so. I think he would still make, say, 5 per cent.

624. What wages would tempt white men to work persistently in the cane-fields?—I think that, in the present state of the labour-market, £1 10s. and food, and with ordinary humane conditions with regard to housing, would secure all the labour required.

625. A witness stated here that he had a growing crop of cane, that he offered to white labour double the wages that he paid to kanakas to get it harvested, and that it had to be destroyed because he could not get any kind of white labour to do the work: do you think that statement would be untrue?—I think an isolated case like that proves nothing, if it were true. Some of the most reckless statements have been made in connection with this campaign.

626. You have, of course, taken a great interest in the subject, and have read a good deal about it: do you know the history of the cultivation of sugar in the southern States of America?—I am not prepared to say that I do.

627. Do you know the history of the cultivation of sugar in the West Indies?—I do not know very much about it.

628. Do you know the history of the cultivation of sugar in Fiji?—I have an idea only.

629. Do any of those States employ a majority of white labourers in cultivating sugar?—I am not prepared to say.

630. If not, why should you think they do not employ it? Why is not white labour employed there?—On account of the unlimited supply of cheap black or coloured labour.

631. Then, let us suppose that it is impossible to get the white labour for the sugar industry in tropical Australia, would you allow the industry to die out?—I do not contemplate the possibility of that happening; but I think, of the two alternatives—that is, the perpetuation of an alien and inferior civilisation in connection with the sugar-growing or any other industry, or of killing the industry—in the event of a decision having to be arrived at, I think it would be better to let it go.

632. Do you know how much capital has been invested in it?—A statement has been made that it is £7,000,000, but the nearest facts I could find out are from the Government statistics

for 1899, which showed the amount involved for the cost of machinery and plant in the sugar milling and refining business is £2,306,812. I cannot see what has trebled the value of the industry since then.

633. Would you advocate, if the evidence we have got is true, the total abandonment of the sugar industry?—If it were true, yes; but I do not contemplate the possibility of it.

634. Then, what becomes of northern Australia if you abandon the industry?—The land remains. I believe there has been a large development in connection with the northern districts of New South Wales during the last few years in the substitution of dairying and farming for sugar-growing, and if this was done in the sugar districts of Queensland, should that industry go, it might more than compensate for its loss.

635. Do you imagine that by any law of man you can exclude coloured people from a tropical country?—I do.

636. Do you think if you tried to compel white people to live in a tropical country they are not fitted for, and to work there continuously, that they would not rebel against it?—I believe white men can do all the work required in tropical Queensland.

637. Can you give us a case in point where they do?—I think the sugar industry does not represent the only phase of such employment here.

638. Can you give us any case where the Anglo-Saxon lives and works for generation after generation in the tropics?—I do not know about other countries.

639. Have you studied the subject?—I can only speak of it from a local point of view, not from a world-wide one.

640. Can you give an illustration of any place where the Englishman has been able to live from generation to generation in the tropics?—India.

641. And worked there?—I do not suppose India is a good illustration.

642. Have we any right to believe, then, that Queensland will be settled differently from all other tropical countries?—The especial difference here is this: that we have not an indigenous population of lower-grade aliens to compete with.

643. Is Queensland different from any other tropical country?—I know of no other part of the world where the Englishman has not been confronted by an indigenous and alien coloured inferior population.

644. But you do not know of any place where he has been able to live from generation to generation and to work?—I know of no country where he has not been faced with an indigenous inferior coloured and alien population excepting Queensland.

645. Do you think that he will be able to work continuously in tropical Queensland, notwithstanding all precedents to the contrary?—I have very great faith in the adaptability of the white race.

646. Does it not rather rest upon your Utopian hopes than upon actual experience?—It rests on the fact that they have survived and overrun the world.

647. In the tropics?—In all parts.

648. *Hon. the Chairman.*] Is it not a fact that a great many other industries benefit from sugar-growing in Queensland?—Yes.

649. Where is the horse-feed obtained from for the horses engaged in that industry?—I do not think the plantations take much horse-feed. They either grow it themselves or feed the horses on sugar-cane.

650. Is there not a considerable trade between Brisbane and the northern parts in goods for the sugar-plantations, and are not these goods carried by sea?—I do not think there is a very considerable trade.

651. We have evidence that steamers leave here regularly laden with goods for the sugar-plantations, and you say that it is not so?—I would not deny that there is some trade, but I do not think it is very considerable.

652. If the alternative you speak of was adopted—letting the sugar industry go—would it not react very prejudicially upon many European people in the southern districts of this colony?—I am not prepared to admit the possibility of its being done away with.

653. But if it came about, what would happen?—Possibly it would affect the people of the southern districts somewhat prejudicially.

654. *Mr. Leys.*] The value of the sugar output has been given to us as £1,473,000 in 1898: where does that money go to if it does not find its way amongst the tradespeople and the white population generally? Do the kanakas take that money back to the islands with them?—A good deal of their share of it, and a large amount of it, would go to the sugar-refining monopoly.

655. But that value represented raw sugar, not the refined sugar. Where does that money go to?—I think a good many sugar-growers are in the hands of the Sugar Company.

656. We have evidence that the colonial company does not grow much sugar-cane?—No, it does not; but at the same time a great many sugar-growers are possibly in its hands. They are practically mortgaged to it.

657. Do not the mills give the greater part of this money to the growers of the sugar-cane?—I do not think the sugar-growers, generally speaking, make more than an ordinary living out of their industry.

658. But can you suggest what becomes of this money if it does not, as the Chairman says, find its way into the industries of Queensland?—A lot of it may go into the pockets of the shareholders of the Colonial Sugar Company. I cannot say what becomes of the portion of it that does not remain here.

RICHARD WILLIAM SCHOLEFIELD examined. (No. 256.)

659. *Hon. the Chairman.*] What are you, Mr. Scholefield—A grazier and land agent at Toowoomba, of the firm of Scholefield and Godsall.

660. What is the extent of the Darling Downs?—Probably fifty miles square may be said to cover Darling Downs proper.

661. Is all that available for agriculture?—Yes, and for dairying. There is some ridgy country could not be ploughed. It is all occupied in blocks of, say, from 80,000 to 100,000 acres, the latter being only two or three holders at most.

662. Are there many blocks of about 500 acres?—A large number.

663. What does it chiefly produce?—Wheat, malting and Cape barley, and, after getting the land thoroughly cultivated, the farmers go in for lucerne on the creek-flats, and for dairying and fattening sheep. The average yield of wheat is about 25 bushels. We have had crops this year up to 40 bushels per acre, but in bad seasons we have got as low as 12. To sow and harvest the wheat would cost a man who works with his own family about £1 an acre, including the seed.

664. How many sheep per acre could you fatten in that district on the lucerne?—At certain periods of the year it will carry up to twenty sheep to the acre, and sometimes more than that.

665. And how long?—As long as the rainfall continues favourable. In ordinary seasons the man who mows his crop will get six cuttings.

666. Year in and year out growing lucerne, how many sheep to the acre do you think a farmer could fatten?—Ten to twelve.

667. Is the dairying industry increasing there?—Very fast.

668. *Hon. Captain Russell.*] How would the man with a 500-acre farm work it to the best advantage? How much would he have in wheat?—I can point out 500-acre farms in which every inch is under cultivation.

669. After he gets his crop off what does he do with it?—He can also grow a crop of maize within the twelve months if he gets it in by Christmas; then he commences ploughing again the land he does not put into maize; then when he gets the maize off the other part he follows that up, and gets the whole into crop again; probably wheat, barley, or oats, or a couple of hundred acres of lucerne is laid down.

670. How many sheep would be run on a 500-acre farm after he gets his land in hand?—He could turn over five thousand sheep a year.

671. And keep them all the year round?—Yes. As a rule, a man would buy store wethers which only want fattening, and keep turning them off.

672. How long would it take to make them fat?—That all depends on their condition. If he happened to get them in good condition he could fatten them off in from two to three months.

673. What profit will he make upon the transaction?—From 2s. 6d. to 3s. a head on an average.

674. What is the value of the freehold of that land?—I have been acting for some years past as agent in the cutting-up of the Westbrook Estate of 84,000 acres, some of which I have sold to some of your New Zealand friends. Kept in the state of cultivation I speak of, land can be bought on the Downs now at from £6 per acre.

675. If a man has got a paddock in lucerne in 1900 and has a drought in 1901 what becomes of his lucerne?—The droughts we have will not kill the lucerne; it simply reduces the carrying-capacity of the land for a month or two. There are no serious droughts on the Darling Downs.

676. What will he carry that year?—He will probably have to come down to three or four sheep to the acre during that period.

677. Can you grow any other grasses beside lucerne?—The prairie grass; but there has been no serious attempt at growing English grasses on the Darling Downs, unless you class Cape-barley, which is very successful, as a feed-grass.

678. Will lucerne go on for ever?—Lucerne will last, according to the soil, from seven to ten years without resowing. All that would be required would be to go over it with a cultivator occasionally.

679. What is the rainfall at Warwick?—The yearly average on the Downs is 30 in. The average in Toowoomba for the last eleven years is 40 in.

680. When does that come on?—Sometimes we get heavy rains in November and December, but the monsoonal rains which came last week generally come within the first three months of the year. They are late this year.

681. Can they be fairly reckoned upon from January to March?—Yes.

682. And again in November?—Yes.

683. We will take it that the land which will grow 25 bushels to the acre and fatten twenty-five to thirty sheep is worth £6?—Yes; and the virgin land can be purchased, of a similar character, from £2 10s. to £3. It would cost for the first ploughing from 9s. to 10s. an acre by contract, but that does not include fencing.

684. *Hon. Mr. Bowen.*] I suppose that country is increasing in prolificness every year?—It is, but farming is only in its infancy here.

685. And there is country enough there on the Downs to more than meet the agricultural requirements of this country?—I quite believe there is for the present.

686. Do you not think it likely that you will have to import agricultural produce?—I do not think so, excepting on the supposition that our people go in more for the stock-fattening business than growing cereals or hay for sale, which is quite possible.

687. *Hon. Captain Russell.*] What is the average temperature during the hot months?—In Toowoomba and on the Downs the maximum average is about 80 degrees in the shade, and minimum 60 degrees.

688. *Mr. Beauchamp.*] Is there much of that good land open for selection?—It is chiefly in private hands at present, chiefly for grazing sheep, but it will pay them better eventually to cut it up and sell it to farmers. We have been selling on twelve-years terms at an average of £2 10s., with interest at 5 per cent., and have other large estates shortly to offer.

689. What about the water-supply?—You can get good water by sinking wells on any part of the Darling Downs. The supply is inexhaustible.

690. *Hon. the Chairman.*] Are the farmers in that district generally in a prosperous position?—Very; the dairymen more especially, and those fattening sheep on lucerne and Cape-barley.

WEDNESDAY, 24TH APRIL, 1901.

Right Hon. Sir HUGH M. NELSON, K.C.M.G., examined. (No. 257.)

691. *Hon.-the Chairman.*] You are the President of the Legislative Council of Queensland?—Yes. I have been a member of the Legislature since 1883, and I was Premier of this colony for five years.

692. Did you take a prominent part in the Federal movement in Australia?—Yes, fairly prominent. I was a member of the Federal Council which used to sit at Hobart, and I was at all the Conferences of Premiers that were held prior to the Convention.

693. Do you approve of the present Constitution?—Not altogether. I think the Federal Government have taken larger functions than there was any necessity for, thereby curtailing to an extent which was not desirable the autonomy of the colonies as they existed previously.

694. Do you think the jurisdiction of the Federal Council could have been extended to have met what was required?—That is my opinion, and I expressed it repeatedly. I also do not like the representation under the Constitution. I was always of opinion that a purely population basis over the immense territory comprising Australia was not fair. I think the distance from the seat of Government ought to carry considerable weight, and be recognised as a factor in any kind of representation granted to each colony or State. Take Ireland in the United Kingdom: the population basis would rob Ireland of about half her representation—in fact, London would have as many representatives as the whole of Ireland.

695. You think that area as well as population should count?—Yes, to some extent, as also distance from the seat of Government. This applies to Western Australia as much as to Queensland, the youngest of all the colonies; and we are in a very small way of development as compared with New South Wales and Victoria.

696. Do you approve of the financial provisions in the Commonwealth Bill?—I do not see any objection to what is called the “Braddon blot.” I rather think it was a good provision in the interests of the smaller States.

697. How do you think that the finances of the smaller States will be affected by the right to levy Customs and excise duties being handed over to the Federal Government?—I think it will affect them very seriously. In Queensland all our industries are in their infancy, and I say it would have been better for Queensland to have been allowed a fixed term of, say, ten years to adjust the tariff gradually in such a way as not to injuriously affect our growing industries.

698. Supposing that the financial result to the smaller States is a deficit, how is that deficit to be made up?—The only recourse is direct taxation.

699. Do you think the Federal Parliament is likely to exercise the power it has of giving financial assistance to a State in the shape of gratuitous grants?—I think not; but I think it is very probable that they might do the same as we do for local authorities—advance the money upon loan to tide over any difficulties, making the State which receives it responsible for its repayment by half-yearly payments, consisting of interest and redemption.

700. But how will the States be able to repay that loan if they cannot levy Customs duties?—They must do it by direct taxation. I see no other source.

701. Supposing, after ten years, the Federal Parliament wishes to take the whole of the Customs duties, is there anything to prevent them?—Nothing at all, if they require the money.

702. In your opinion, are the wants of the Federal Government likely to increase as time goes on or to decrease?—I think they are bound to increase. A body of that sort, endowed with authority, naturally grasps at as much power as it can assume, and the number of subjects contained in these thirty-nine subclauses is so great that before any length of time elapses the Federal Parliament will assume the government of the whole of Australia. What the States have now they cannot touch without altering the Constitution—that is, the management of our lands and mines. They have taken over emigration and immigration. That, I think, was a great mistake. I think each State ought to be allowed to manage its own immigration.

703. Do you think that any tariff is likely to be adopted by the Federal Government which will give the State Treasurers more funds than they have now under their present autonomy?—No; the people will not stand it.

704. What is your opinion about the States being ultimately absorbed in the Federal Parliament and a Union taking the place of the present Federal Government?—That is the danger we are now rather alarmed about—that this change will result to a large extent in unification as contrasted with federation. That arises from the immense amount of subjects that are put under the control of the Federal Parliament when they choose to take them over, and I think they will take over all that is allowed by the Constitution. Had the powers of the Federal Parliament been confined to defence, quarantine, post-offices, and such large subjects as that, I think we would all have derived a benefit from federation. I think that is all that was required.

705. What is your opinion as to Mr. Barton's idea of a “white” Australia becoming a practical fact?—I think it is simply a lot of electioneering clap-trap. I do not think they mean it, and I think it would certainly ruin the sugar industry. That is one thing in which we have rather rashly trusted to the Federal Parliament. The people in the southern districts of Australia do not know Queensland or its requirements—what applies to Melbourne, Sydney, or Adelaide does not apply to the northern part of Queensland. Even South Australia, although it is not generally known, does what no other colony would allow for a moment—they employ skilled Asiatic artisans on the railway running to Port Darwin and in the Government workshops, which shows that they cannot do the work in those regions without coloured labour.

706. *Hon. Captain Russell.*] What do you think is likely to come of the large northern territories? Will they be separated into further States?—Probably that would be a good thing to do, because the treatment of these tropical portions must be essentially different from the treatment of the southern portions.

707. Do you imagine that there will be two or three Queenslands?—I do not think so. I doubt if the Federal Parliament will agree to separation, because it would involve each new State having equal representation in the Senate, and they would consider that that would give us too much representation.

708. But not necessarily equal representation?—Yes; according to the Constitution every State must have six Senators.

709. *Mr. Reid.*] “Every original State”?—Well, our people would not accept separation, I think, into various States unless they were treated in the same way as other States.

710. *Hon. Captain Russell.*] Would it not suit the views of northern Australia to have two or three States, even though they had a diminished number of Senators?—I do not think they would agree to that.

711. Then, you think it is possible that the desire of Queensland to have a southern and northern Queensland might be possible under the Constitution?—It is probable, but I do not think it will be satisfactory unless they can be accepted on the same status as the original States.

712. We have heard that the finances of Tasmania will be very much hampered by federation: do you think it is possible that Tasmania may be absorbed by Victoria, the two merging into one State?—I think there is a possibility of that, and it might not be a bad thing to do, as they have to tax the people heavily to carry on. It would be a great advantage to have all the debts pooled under the Federation, and the railways taken over as an asset. I expect that to come to pass at some time or other. It would be one of the grand achievements of federation. The Convention could not agree upon a scheme, but it is quite possible that the Federal Parliament may.

713. Will that have the tendency to strengthen the bond of unity—to unification rather than federation?—I do not think so, no more than having our defence all under one head. Everybody admits that it would be far better to have the defence of Australia under one executive body.

714. Do you imagine that there will be any difficulty in administering the railways, post-offices, or such matters from a central body rather than from the States?—I do not think so, excepting that people with grievances will not have the same opportunity of getting redress, through being at such a distance from the head of the department.

715. Then, you do not imagine that there will be an increase in the number of the States in Australia?—Not for some time to come, as the population does not warrant it. Central and Northern Queensland have only about one hundred and fifty thousand people, the bulk of the population being in the southern part of the State; and there are more white men in the northern part than there are in the central.

716. I am concerned in my mind as to the possibility of Victoria and New South Wales completely dominating the whole of Australia?—That is our danger.

717. Could not you guard against that by increasing the number of States?—They will not allow us. I think we shall be dominated by New South Wales and Victoria.

718. And if Tasmania is absorbed in Victoria that domination will be intensified?—But it is practically the case now, the Victorian and Tasmanian representatives are, I think, sure to band together. Victoria has a big stake in Tasmania in the shape of capital invested there.

719. In that case is there not a possibility, in connection with the financial disturbance in Tasmania, that that colony will find it convenient to be absorbed altogether by Victoria?—I do not think that Tasmania would apply for it, because it would deprive that colony of six Senators.

720. *Hon. Mr. Bowen.*] Do you not think that in the future the tropics of Australia will probably be governed by the Commonwealth as a separate territory apart from the States? Do you not think they would be more like the tropical colonies of England?—I think not. I think that would be against the aspirations of our people, and I do not think it would ever get the consent of the people.

721. Take Port Darwin: that country would have to come in as an original State, would it not?—Not if it were made into a separate State, but it is not fit for it. It would have to be worked on a different system from what the southern part of South Australia is worked, because it is a tropical country and cannot possibly get on without coloured labour.

722. From your experience in the Federal Council, do you think that Council could have been made a practical thing and had practically done the work of federation if all the States had joined together?—That is what I always advocated when I was a member of the Council. The Queensland representatives who attended that Council were all unanimous on the subject, including the late Sir James Dickson.

723. Do you apprehend that there will be any difficulty in the working of the Inter-State Commission?—The thing is only an idea at present. Their functions, powers, and authorities will have to be defined by Parliament. I do not know what powers they will be intrusted with, or whether the Commission will be a success or not. The principal argument in its favour was to prevent differential rates being imposed as between two colonies—to prevent one colony trying to smuggle the trade of an adjoining colony—and for that reason I think it would be better for the railways to come under the Commonwealth.

724. Will not there be some difficulty in respect to the powers of the Commission? Will it not be delegating the powers practically to a third party?—The Government will always be responsible for the actions of the Inter-State Commission. If they were to be a thoroughly independent body it would be a great mistake—that is to say, if they were to be an *Imperium in imperio*. In Queensland we have a Railway Commissioner, also a Minister for Railways, but nothing can be done by the Commissioner without the consent of the Governor in Council.

725. *Mr. Millar.*] Do you anticipate that that Inter-State Commission will have anything to do with the shipping laws of the several States?—No. Their powers will be entirely confined to dealing with railways.

726. The clause dealing with the Commission indicates that they are to have a general sort of controlling-power in regard to commerce?—If that is so, and I have not looked at the clause

lately, of course they would be in a position to advise on the question of the shipping laws as they relate to our ports.

727. If the Inter-State Commission were to rule that New Zealand shipping laws, which are in advance of those of other States, conflicted with the shipping interests and laws of another part of the Federation, would that Commission overrule the Parliament?—It would not be a proper position for any body of men to be placed in to be allowed to override the Parliament, and I condemn this Commission totally if they are to be endowed with any powers that enable them to act irrespective of the Parliament and Executive. I take it, however, that it will be merely an advisory body, and that anything that is done in the way you suggest will be by separate legislation. The Constitution gives the Parliament very great powers.

728. Have not the Railway Commissioners been appointed in the past with enormous powers?—Our Commissioners can do nothing without the consent of the Executive.

729. Do you think that the States will be able to borrow as favourably for their public works as they have been able to in the past, seeing that the principal source of revenue has been taken over by the Federal Government who has a first charge on it?—I am quite sure the States will not borrow as well. The idea is that they will refrain from borrowing—that any money they require will be obtained from the Central Government, which will do all the borrowing. If there are two kinds of loans put on the market, one Federal and the other a State loan, the latter would certainly be neglected.

730. What are the conditions of the treaty entered into by Queensland with Japan?—As far as the bulk of the treaty dealing with trade is concerned, it is exactly the same as has been adopted by the Imperial Government. The modification is that we reserve the right to legislate at any time with regard to the immigration and employment of Japanese labour. There was a little difficulty for a while as to what the word "labour" should include, but eventually they conceded what I held out for, that it should include not only unskilled labour but also artisans. Therefore under the treaty we have full power to legislate in any way we think proper with regard to the admission of the Japanese workmen.

731. There has been no legislation passed?—It has not been found necessary as yet. Whenever we have had any grievance respecting these immigrants the Japanese Government exerted themselves to put a stop to the matter complained of—such matters, for instance, as infamous women coming into this colony. They immediately passed a resolution that no woman could leave without a passport and inspector's certificate. Japanese can come in without restriction, because they are not included in the treaty, and any number of Japanese can come in under the treaty, but we have power to legislate to stop them if too many are coming in and prove a danger to the colony.

732. Do you think there will be such an influx of Japanese to this State as to be a menace to the State itself?—We have power to stop them, including mechanics. The benefit of having the treaty is that any law we pass under it receives the Royal assent at once without having to go before the Imperial Government, and it takes effect immediately, because it is included in the treaty.

733. *Mr. Beauchamp.*] Prior to the passing of the Constitution Act do you think there was any understanding between Western Australia and the other colonies as to the construction of a trans-continental railway?—No.

734. Do you think it is likely that that railway will be constructed in the near future?—I do not think so.

735. Did you oppose the Constitution Bill which finally became law?—I certainly wished it modified, but I was always in favour of a Federation.

736. But you consider that many objectionable clauses are still included in the Bill?—Yes.

737. That being so, I presume you would scarcely recommend our colony to become a part of the family until such clauses are removed?—I do not know what I would do if I were a New-Zealander, but I fancy I would be inclined to retain my independence. The advantage you would gain is with regard to reciprocal trade and commerce.

738. Do you think there is any prospect of our being able to establish a favourable reciprocal treaty with Australia?—I do not think it is possible, without your joining the Federation. I am in favour of free-trade throughout the British Empire.

739. Do you believe in an Imperial zollverein?—Yes, as an object we should aspire to.

740. Do you recognise that we would be under some disability as regards our distance from the Federal capital?—I think you ought to insist upon having a larger representation if you came in.

741. *Mr. Luke.*] Was it more a question of trade interests that prompted this federation, or was it more a matter of sentiment growing out of the South African difficulty?—It was undoubtedly sentiment.

742. Do you think the outcome of it will be beneficial to the States on the continent?—It may eventually be beneficial, but a State like Queensland must suffer at the start.

743. Then, you do not think the benefits that would accrue to the States on the continent would be extended to New Zealand, supposing she entered the Federation?—I hardly think so; but I do not know enough of New Zealand to give an opinion.

744. Do you think that unifying the States would be preferable to the present Constitution?—It is doubtful; but it is almost the same thing. It will come to that. There are hundreds of people I meet every day who tell me now that they did not look at the question in a proper light when voting for federation. They distinctly say now that if they had to vote again they would not vote for it.

745. Do you think that will lead to friction between the Federal and the State powers?—I think that when the States begin to assert their rights there will be a tussle or two between them and the Central Government.

746. Do you anticipate that in the near future the Federal power will absorb all the Customs duties?—I do not think so.

747. *Mr. Leys.*] Why is it that the people who voted for federation would not vote for it again?—Their eyes have been opened in the meantime. They are very much dissatisfied with the representation we have got, for one thing, and with the terms of Mr. Barton's manifesto.

748. You think that the interests of Queensland are being sacrificed for political purposes?—To some extent I think so.

749. Do you think that New Zealand's interests are likely to be sacrificed also, she being farther away, if she joined the Federation?—It is just as likely.

750. With regard to tropical Australia, did you notice that the Premier of South Australia had already asked Mr. Barton to consider the propriety of taking over tropical South Australia?—I saw something in the Press about it, but did not attach much importance to it. The Northern Territory is an annual loss to the South Australian Government; but it is their own fault, and I do not see why they should hand it over to the Federal Government, or why they should be allowed to do so.

751. Do you think there will not be pressure brought to bear on the Federal Parliament to construct such works as trans-continental railways in the near future?—I do not think those who asked for them would succeed. There is nothing that members of Parliament are so keen about as the building of railways, and unless other members get a *quid pro quo* they would never consent to it.

752. Do you not think that the Victorian interests in Western Australia might lead the Victorians to vote for it?—I do not think so. I was in Western Australia a little while ago, and the people there are not at all unanimous in favour of this railway. Many would rather see a railway built from Coolgardie down to Esperance Bay, while fast steamers will go as quickly from Adelaide to Fremantle or Perth as a railway. The railway will never take the goods traffic, which will go by sea.

753. If the Federal Government took over the railways and the debts who would construct the railways then?—They would either be constructed by the Commonwealth Parliament or each State would be allowed to do them, borrowing the money for the purpose through the Central Government, in which case you would have to get the consent of the Federal Parliament first.

754. Would not the States have to get the consent of the Federal Parliament for every work it had to borrow for?—Yes.

755. Does not that mean practically emasculating the States altogether?—No doubt it would; but it might be a check on extravagant expenditure.

756. *Hon. Major Steward.*] Under the Braddon clause the Commonwealth Government has power to use for Federal purposes 25 per cent. of the Customs revenue, returning what they do not want to the States. Is it not almost certain that the Commonwealth requirements will increase in time?—Yes, undoubtedly.

757. Is it likely, therefore, that any proportion of that 25 per cent. will be returned to the States Parliaments?—I think not; they will require it all.

758. Is it not probable that, after the ten years have expired, a very much larger proportion than 25 per cent. will be required?—Yes. The Federal Parliament has full powers of taxation if the Customs tariff is not sufficient, and they have the right to levy direct taxation also. In the case of New South Wales, where they have an income-tax, the Federal Parliament might put on another income-tax, and then you would have two such taxes—one for the State and another for the Federal Parliament.

ALBERT W. D. WHITE examined. (No. 258.)

759. *Hon. the Chairman.*] What are you?—I am a grazier, residing at Bluff Downs, Northern Queensland, and I am thoroughly acquainted with the sugar-plantations there, having had a butchering business for fifteen years in the centre of the sugar districts. My experience goes to show that the sugar industry cannot be carried on by whites, as white men, apparently, are unable to do the field-work involved in trashing and cutting the cane. I object strongly to that class of work. It has been tried with white gangs, but they gave it up. In my opinion, if the cultivation of sugar is left entirely to white labour it will mean a general collapse of the industry. I am not intimate with the southern portions of Queensland, and can only speak of the northern part. The collapse of the industry would affect every trade in Queensland, more or less.

760. *Mr. Leys.*] I suppose the heat is very intense in the sugar-cane districts?—Yes; it is a muggy heat in the cane-fields, as there is no air. It is very trying to white men. The open country is not so bad.

761. Then, you say that whites cannot do the labour connected with the field-work?—They seem indisposed to undertake it; in fact, they have a strong objection to it.

762. *Mr. Luke.*] Apart from the trashing and cane-cutting, could white labour do the rest of the work?—I think so.

763. Does the black labour show a tendency to increase or decrease?—I do not know that there is a tendency to increase the black labour, but the industry has been increasing, and naturally the black labour must grow in proportion.

764. *Hon. Mr. Bowen.*] What is the average height of the cane when it is being trashed?—You might get cane 15 ft. or 16 ft. long, but, of course, it is interlaced and tangled up. It is difficult to give the average height. It would be over a man's head.

765. *Hon. Captain Russell.*] Why are the whites indisposed to do the field-work?—Because they find the labour too trying.

766. Do you think it is that they have not already acquired the feeling that they might be called "mean whites" if they work at that particular form of labour?—I do not think so, nor do I think there is a sufficient supply of white labour in the north to do the work.

767. Do you think that high wages would tend to make white men work there systematically?—I do not think so; it is not a matter of wages at all. If the wages were from £1 to £2 and found I do not think the white man would continue to work, although it might tempt him to take it in the first place. We have had a trial to that effect when white gangs contracted to do the work but threw it up.

768. Are there many coloured people where you live?—Japanese, Javanese, Chinamen, Cingalese, Hindoos, kanakas—almost every nationality.

769. How have those people come there?—The Japanese and Javanese have been engaged and brought over.

770. Do they bring many women with them?—Very few. In fact, I do not think the Chinese or the Cingalese bring any women at all. I question whether there would be five women to a hundred men amongst them all.

771. Are these men employed in other industries besides sugar?—No. The Hindoos interfere more than the others in local industries. The Chinese engage in banana-growing to a large extent, but they are not employed in factories. Their conduct is decidedly good. The coloured race hardly drink anything at all, and what drinking there is does not involve any disturbance.

772. Are there any cases of theft and violence?—There are cases of theft, but not of violence. Amongst the kanakas theft is almost unheard-of.

773. Which race is the theiving race?—The Cingalese and coolies.

774. Supposing that, by legislation or otherwise, the sugar industry was destroyed, could not the ground be used for other purposes?—Yes; for grazing.

775. Would it produce anything like the same return as a sugar-crop?—No.

776. Do you think it would be a great blow to all tropical Australia?—It would be the greatest blow Queensland has ever received.

777. *Hon. the Chairman.*] Can cotton be successfully grown in Queensland?—In the southern parts; it is too wet for it in the north.

778. Does the kanaka come into competition in any way excepting in his special occupation in the sugar-fields?—No; and he spends pretty well all his money in the country before he goes away again.

779. *Hon. Captain Russell.*] Does the health of the average European deteriorate from long residence in tropical Australia?—Not if he is abstemious in his habits.

780. What about the women?—It affects the women. They get run down very much. They require a constant change, generally two or three months a year in a colder climate.

781. Would that be possible with the labouring-class?—I do not think so.

782. What would be the result in two or three generations to people who cannot get a change?—Very bad; and we see it in the rising generation, without looking two or three generations ahead.

783. You think the first generation is not as good as their predecessors?—No. The children look very healthy up to about five or six years of age, and then they begin to get thin and weak.

784. Do you think that the climate will affect their power of work?—I think it will eventually. I am speaking of the coastal districts; the climate inland is totally different.

785. *Mr. Leys.*] Are the kanakas looked after well?—As well as any men could possibly be. They improve under civilisation. They are finer and more muscular men when they go back to their islands than when they come here.

786. Do they gain in intelligence and morals by residence in Queensland, or otherwise?—I think they improve in intelligence, but I question whether their morals improve to the same extent.

787. Is there any effort made to educate or civilise them?—Yes.

788. Is that carried on systematically?—I should not say it was.

789. Do the Government provide them with religious instruction?—Not that I am aware of. It is undertaken by nearly all the clergymen visiting the districts.

790. But have the Churches no systematic work there, no missionary-work there?—Yes; not so much amongst the kanakas as the aboriginals. The latter are looked after by the Government.

791. Are the Churches carrying on missionary-work amongst the kanakas?—Not to any great extent.

THOMAS GLASSEY, Senator, examined. (No. 259.)

792. *Hon. the Chairman.*] You are a member of Parliament, Mr. Glassey?—A member of the State House of Representatives, and I have been recently elected to the Senate in the Federal Parliament. I have lived in Queensland for seventeen years.

793. Have you interested yourself in the sugar industry in Queensland?—Merely as an investigator into the working of the industry and as a representative for Bundaberg, one of the largest sugar-producing districts in the colony. I also represented one of the Gulf districts in Northern Queensland for two years, and am well acquainted with that part of the country.

794. Speaking of Bundaberg and southern Queensland, we want you to give us your opinion as to whether the sugar industry can be successfully prosecuted by white labour?—My opinion on that matter is very emphatic, and that is that it can be undertaken and successfully prosecuted by white labour, both in the fields and in the mills.

795. Does that apply to Northern Queensland?—I think it would. I have not the slightest doubt about it in my own mind. The white men can do the work and will do it if they are reasonably paid, fairly housed, and have fair conditions of labour.

796. We have had evidence to the effect that it is not so much a question of whether the white man can do the work as that he will not do the work: what is your experience?—To the contrary. White men will do the work, but not alongside of kanakas or coloured races in the field.

797. Supposing the kanaka were not employed, is there any objection to the present rate of wages paid to the white labourer?—Of course, men working in the cane-fields want decent wages. Mr. Gibson, one of the largest planters in Queensland, said, at a conference of manufacturers in Melbourne, in 1899, that if the planters could get a sufficiently high protective duty on sugar from abroad they would be able to employ the white labour successfully at £1 10s. a week and found.

798. Is there sufficient white labour available in Queensland if the wages were satisfactory?—I think so. A Royal Commission which sat here in 1888, and reported on the matter in 1889, reported that sugar could be grown by white labour alone south of Townsville, but that they did not think it could be grown north of Townsville by white labour only; but the quantity of sugar produced north of Townsville is not very much. In 1899 there were 123,000 tons of sugar manufactured in the colony, 88,000 tons of which were produced south of Townsville, and only 35,000 tons north of Townsville. Townsville is six hundred miles north of Bundaberg.

799. *Hon. Captain Russell.*] Upon what do you base your belief that you can grow sugar under entirely different circumstances from what it is grown now?—I agree with Mr. Gibson that if there is a reasonably high protective duty placed on sugar imported from abroad, where black labour is cheap and plentiful, and the Australian market is secured to us, the conditions will be so altered that white men can be employed and reasonable wages paid them, and under decent conditions.

800. Do I understand that the industry under natural conditions cannot last: must you have artificial conditions before you can employ white labour?—I am not prepared to say. I merely take the conditions as they exist at present, and I say that, provided these duties are levied, the industry can be carried on by white labour.

801. I understand you to mean that the profit of the sugar-grower is to be made out of a protected industry, and not out of the industry proper?—Probably there may be something in that.

802. Would that be an element?—It would be an important element.

803. Why is so much more sugar grown south of Townsville than in the north?—Because, I suppose, the fields are much older.

804. Does that point to the fact that the closer you get to the tropics the less possible the cultivation becomes?—No; the area under sugar-cane at Mackay and Bundaberg has increased very considerably. Probably Mackay has increased more than Bundaberg. Mackay is four hundred miles north of Bundaberg. In 1890 the area under sugar-cane in the Bundaberg district was 14,875 acres. There were only 10,448 acres crushed that year. The rest of the crop stood over for the next year. The sugar produced that year totalled 23,181 tons. In 1899 there were 24,911 acres, and the area crushed was 19,758 acres. I have not got the figures for north of Bundaberg.

805. What is the amount that was produced in 1899?—33,310 tons.

806. After that Commission sat did the Government take any action on its report?—Not until 1892. In 1885 they decided that recruiting from the islands was to cease in 1890, but by an Act which was passed in 1890, and which was in my opinion unjustifiable, they repealed that law, and allowed recruiting to be renewed.

807. I think they offered some capital to the sugar-growers on certain conditions?—Not that I am aware of.

808. We have been told that £60,000 was allotted for the purpose of encouraging the growing of sugar by white labour alone: are you aware of that?—I do not remember anything of the sort.

809. For the establishment of crushing-mills?—That is so; but it was in 1886 when two mills were erected at Mackay. That occurred before I entered Parliament. The mills were erected in 1886, and I was returned in 1888. I presume the subsidy was offered for the purpose of encouraging the growth and cultivation of sugar by white labour.

810. What was the result of that experiment?—Fairly satisfactory.

811. Were there many farms cultivated entirely by white labour consequent on that offer?—That I could not say.

812. Do you know how long the success was permanent?—No.

813. We had evidence that it broke down at once?—That is not so, because during my thirteen years in Parliament the matter has cropped up from time to time, and the balance of argument was in favour of the establishment of mills because they were successful.

814. We had evidence from a Government official that they broke down entirely, and that the mills were obliged to take cane grown on farms, where kanaka labour was employed, in order to keep going?—I think there was something in that.

815. In other words, the system, though aided by the Government, of employing white labour broke down?—That is true enough as regards the employment of kanakas, and so long as you have the kanakas in any particular district so long will people employ them. I should like to see the matter decided in a district where there are no kanakas at all, and in my opinion it could be carried on without the coloured labour.

816. Taking the history of the sugar industry in other countries, can you tell me of any country where cane-sugar is grown by Europeans?—I do not know of any.

817. Do you know how the industry is carried on in Fiji?—Presumably, by black labour chiefly. But I attach no importance to that.

818. But if the history of the whole world goes to show that cane-sugar is not grown by white labour do you think that Queensland can show the world an example?—I think so. I know it is done by means of white labour, both in the mill and the field. I am speaking of Bundaberg.

819. Please tell us the name of one firm that does it?—I cannot give the names. I have the names here, but I am not permitted to use them.

820. But is it discreditable to grow sugar with white labour?—It is not discreditable, but these men, finding there is a great agitation against black labour, are not inclined to come into contact with persons to whom they are perhaps under an obligation.

821. We had evidence that on the small farms there is no such thing as white labour—that there is black labour there?—I might tell you that a gentleman named Benson, who sold out of Bundaberg in 1899, had not employed any kanakas for six years, and for all those years he managed his farm absolutely by white labour. Another man named Chappels also conducted his farm for four years absolutely by white labour.

822. Why did the first gentleman sell out his farm?—He did very well by sugar-growing, and, I suppose, found he could live without farming.

823. In other words, he found that sugar-cultivation without black labour was too hard?—Certainly not. On the contrary, he found that he had done so well previously out of sugar by means of white labour that he was able to sell out.

824. What size farm had he?—About 60 acres.

825. You are quite sure that both of those gentlemen employed no black labour?—That is the statement made to me.

826. Do you not know it to be the fact?—I am taking the man's statement made in the presence of another person.

827. You told us that white men can do the work but will not do the work?—I deny that they will not.

828. We had evidence that only half of one crop could be cut because white labour could not be got under any circumstances?—I do not believe it. I do not believe that such a thing has ever occurred in Bundaberg.

829. But in the Northern Territory?—I am not able to speak of that.

830. But if a gentleman came and deliberately said he was managing an estate, and that in order to get his crop reaped he was willing to pay double the wages that he would have had to pay to black labour and that he could not get it, and was obliged to leave half his crop, should you say that he had deliberately made a misstatement?—I do not think he would.

831. Then, you think there would be an instance in which money has not induced white men to take such work?—There might have been such a case, but I do not know of any such instance.

832. You say that the white man could work, and would work if he got sufficient wages, in the tropical part north of Bundaberg?—I think so. I never heard a planter say that a white man would not or could not do the work. I am speaking of Mackay and the tropics about six hundred miles from Queensland.

833. How is it that there are unemployed in Queensland if it is difficult to get labour up there? How is it that the men will not go there and work?—I deny that men will not go there and work.

834. Are there unemployed in Brisbane?—Yes, and at Mackay and Townsville.

835. But why are they unemployed?—There is nothing for them to do.

836. Do you mean to say that if a white man can work in the cane-fields and he is unemployed he refuses to take such work?—If the man has nothing to do in the cane-fields, what is the good of any unemployed man going there to look for work? I have found numbers of unemployed all along the coast—at Bowen and Townsville.

837. Do you think that it is not attributable to the fact that the men cannot work systematically in a tropical climate?—Certainly not. Men in Townsville complain to me that they are prepared to go and work if they get a reasonable wage.

838. What is a reasonable wage?—I am sure if they got £1 10s. or £1 5s. a week and found they would not object to do the work.

839. Would you be able to depend on them as well as on the kanakas?—I think so.

840. Would a European be able to do much more than a kanaka?—I think so.

841. How much more?—I am not prepared to say.

842. Do you know what wages a kanaka gets?—For the first three years 2s. 6d. a week and found. The old boys get more.

843. If the European got double the kanaka's wage is there any reason why he should not be employed?—I think he ought to be employed instead of the kanaka, and at good wages.

844. But you think the European employer refuses to employ him, even under those conditions?—I might say that, while some employers are bad, others are splendid men. But they are not going to employ a man at £70 a year if they can get one at £30.

845. But he could do double the work?—He ought to, but it does not follow that he will.

846. *Hon. Mr. Bowen.*] Do you think it is advisable to induce European labourers to go and work in that climate?—We have quite a number of white labourers working there now.

847. I mean field-labour?—And I mean all kinds of labour.

848. We have it in evidence that white men cannot work in the cane-fields?—I dispute that statement most emphatically.

849. And you have been in that country and seen the men at work?—Yes; scores of times.

850. The white men?—Yes.

851. You say that it would not be correct evidence that men have been tried at double the wages and they gave the job up?—I would doubt it.

852. And that it also has been tried by white men for a time, and by others who have been living there, and that the second generation is deteriorating fast?—I do not know how they can prove that, because the oldest cane-fields are only thirty years of age.

853. But the white men's children distinctly feel the climate?—I am inclined to dispute that statement. I found in Northern Queensland men doing all kinds of work.

854. On the coast?—No; in the interior, and the coast as well.

855. Do you know of any kind of work in which white men labour in the open and where the work has been tolerable to white men—I mean, of course, in the cane-country?—I am not prepared to speak of that.

856. Do you think it would be advisable that white men should be induced to go up there to work the cane?—I am quite satisfied that if the conditions were moderately good white men would be glad to go there and take their families with them.

857. Then, if we have any evidence to the effect that they tried it and then gave up the job it is not true?—I would not say that, but I would be inclined to dispute it as a general rule. When a man can work in the hold of a ship under a tropical sun he would work in the cane-fields. The bulk of the trashing is done in the winter when there is cold weather, and the coldest weather I have ever experienced is up on the Herbert Tableland, about 2,000 ft.

858. Were they growing sugar there?—Yes.

859. *Mr. Luke.*] What would you deem sufficient protection in the case of sugar?—Mr. Gibson says £5 or £6 a ton.

860. What is the price of raw sugar?—About £9 or £10.

861. Do you think the Continent of Australia would be agreeable to that duty?—I think so.

862. As to the two mills referred to by Captain Russell, to which some subsidy was granted by the Government on condition that the cane was grown by white labour, do you not know that these properties were leased in order to evade the provisions of the Act?—I believe some were, but I am not sure when.

863. Does the cane deteriorate if it is left in the field from one season to another?—No; it rather improves.

864. What is the great objection to kanaka labour—as to its cheapness, or on moral grounds?—Both. We are not objecting to the introduction of coloured races merely on the grounds of the displacement of white labour, but on moral grounds as well.

865. But they do not intermarry with the people of Queensland?—Not to any great extent.

866. Do you not think that, compared with the average settler in this district, a kanaka is on moral grounds equal to the average settler?—It is very difficult to define morality, and I would be rather loth to go into the question, as it is a very intricate one.

867. Are not the kanakas superior to the Japanese and the Chinese?—I think they are the least objectionable of the coloured races; but they are very troublesome, treacherous, and not at all acceptable in the community of Bundaberg to my knowledge.

868. Is the agitation confined to the kanaka?—Certainly not. He is more tolerated because he comes here under a special law; but my objection is to all the coloured races. I have the least objection to the kanaka.

869. *Mr. Leys.*] What is the temperature in those northern districts?—119 degrees in the shade would be an exaggeration, but you could get the correct returns from the department here.

870. Could you give us the rainfall and the humidity?—No.

871. We are told the rainfall exceeds 100 in.?—At Mackay they have been suffering for want of rain. There is a wet belt where we get too much rainfall, but, speaking generally, the cane-fields suffer from the dearth of rain.

872. When you say it is not extremely hot or extremely humid, why do you come to that conclusion unless you know the temperature?—I did not say that that was the general rule, but that there are periods when that humidity of atmosphere exists. But it is not regular over all.

873. Do you want us seriously to believe, Mr. Glassey, that in a colony of this vast extent, where there are only 500,000 people, there is no other better employment for white men than putting them to such work as this?—I am not here to enforce your belief.

874. Is that the impression you wish to convey?—Certainly not. I merely wish to convey this impression: I deny that there is anything about the cultivation of sugar that white men cannot do, and I deny it is detrimental to their best interests.

875. Do you say that this lack of employment is due to the presence of the kanakas?—No. I say that is an element. There are so many coloured people here that there is no room for the white men. But that is not the exclusive cause—there are others.

876. Do you think that a population ten times larger than the present one could be employed?—Yes.

877. Do you think, in view of all this, it is sound public policy to try and force a white man to such labour as this?—There is no compulsion involved. We merely say that this class of labour should not be here, and should be gradually removed in a series of years in order to make room for white people, who would grow sugar under better conditions than exist now.

878. Do you not think that the continual employment of white men at such work will bring them down to the level of the negro?—No.

879. What is the proportion of coloured labour to the whole of the labour employed in the sugar industry?—It is a big proportion.

880. What do you suppose becomes of the money earned by the sugar industry in Queensland?—It disappears.

881. Do you think that white labour gets a pretty large share of it?—Certainly; but it would get a larger proportion were the coloured races not here.

882. Does not white labour get the whole of it? Does the kanaka take any of that money back to the New Hebrides with him?—White labour gets a proportion, and the kanaka takes a proportion back with him. He spends a portion here. During the last few years the value of money is better known by these natives and better appreciated by them than it was a few years ago.

883. Will not the whole of that money be circulated amongst the white population of Queensland?—Certainly it will not. Some of it will go back to the islands.

884. Then, it has been suggested that machinery should be used for cane-cutting: would the introduction of machinery benefit white labour in any way?—Yes. I think it would be the means of solving the difficulty that some people allege to exist in connection with the cane-cutting.

885. If the kanakas were replaced by machinery would the sphere of employment for whites be greatly enlarged?—It would to the extent that white men would not only manufacture the machines, but would tend them.

886. *Hon. Major Steward.*] We have had evidence to the effect that if kanaka labour were interdicted cane-cutting could not be carried on, because white labour is not available: your evidence is to the contrary?—Entirely.

887. As a member of Parliament you know of no such a sum as £12,000 having been paid by way of compensation to a man who says he was unable to get the necessary white labour to cut his crop of cane, the kanakas having been withdrawn by the Government?—Not to my knowledge. It is the first time I have heard of it.

888. The allegation made to us was that the Government withdrew 120 kanakas who were in his employ, alleging that they had been improperly obtained: he was able to prove the contrary, and that he could not get the white labour to replace them, and he obtained £12,000 by way of compensation. Do you know of any such sum having been paid?—This is the first time I have heard of it. But I am not saying it is not true. I simply do not know.

889. *Hon. the Chairman.*] What was the number of acres under crop in Bundaberg in 1890?—14,875 acres under cane-crop.

890. Would you object to my asking you if you stood for the Senate in the labour interest?—No. In the interest of the policy enunciated by Mr. Barton. But I have always gone for white labour.

891. What is the total amount of coloured labour employed in the sugar-plantations in Queensland?—About eight or ten thousand; but we have about twenty-four thousand coloured persons here altogether.

892. And the number of white people?—About 480,000.

ANDERSON DAWSON, Senator, examined. (No. 260.)

893. *Hon. the Chairman.*] You are a member of the Federal Parliament?—Yes, of the Senate.

894. And have been Premier of this colony?—Yes.

895. And a member of the State Legislature from 1893 to date?—Yes.

896. You have a good knowledge of the sugar industry in Queensland?—Yes.

897. We are concerned to inquire as to whether the sugar industry can be successfully carried on without employing coloured labour: what is your opinion?—That alien labour is not necessary to carry on the sugar industry successfully.

898. Do you think white labour can do it both in northern and southern Queensland?—I certainly do. As a matter of fact, we fought the battle of the Federal elections here on that particular point—"white" Australia against a "coloured" Australia. The cry is advanced by the alien advocates that the white men cannot do the work. I, as a miner, representing a goldfield, where I was reared and worked at my occupation 2,000 ft. under ground in a temperature of 115 degrees, can say that a white man can and does do the work that the aliens do, and that the white man will be only too glad to do without the kanaka and to do the work the kanaka does.

899. Have you any experience of the fact that white men refuse to do the work?—I had this experience: that white men, when they go into the sugar-districts, are not sure of getting work, and therefore those districts do not get this particular class of casual labour during their crushing season. If the casual worker were satisfied that he had a reasonable chance of getting work during the cutting and trashing season you would get white labour to take the work.

900. Are the wages sufficient to attract the white labourer to the sugar-fields?—No. And it is not only that, but if the planters would give the men a reasonable guarantee when letting a contract that a white man would get the contract provided he employed white labour they would get plenty of contractors for the trashing and cutting seasons.

901. Do you think there is any chance of the work in the cane-fields being successfully done by machinery?—I could not say, not being an engineer.

902. Are you satisfied with the provisions of the Federal Constitution?—Yes.

903. Have you any fear of the finances of the State being in any way imperilled through difficulties arising out of the right to levy excise and Customs duties being handed over to the Federal Government?—I have no fear whatever.

904. Have you no fear of there being a deficit in the revenues of the States?—There will be a deficit at first.

905. Have you no fear of commercial embarrassment arising in the States through that?—Not unless all the bankers are anti-Federalists.

906. What are the States to do if they want to borrow money?—I suppose they will have to borrow it locally.

907. From what source does Queensland derive its revenue for State purposes?—From Customs and the dividend-tax.

908. Unless the Commonwealth takes over the debts do you not think there is likely to be embarrassment between the States?—It will be only temporary. I think they will pool their debts.

909. How are you going to get funds for the prosecution of public works after the State has parted with its revenue?—I suppose in the usual way—by depending on the credit of the States.

910. *Mr. Leys.*] Then, would the interest on their borrowing be provided by direct taxation?—I think so, and I intend to advocate that. I think that is one of the planks of the Federal Government—that it will impose direct taxation.

911. You think direct taxation will be inevitable in the case of the States?—I think so, and I think it a desirable thing.

912. Have you lived in the northern tropical territory?—I was born and reared there.

913. Have you ever worked on sugar-plantations?—No.

914. Do you know whether the contract system has been tried, and contracts have been taken by white men to do the field-work, but have been thrown up on account of their inability to stand the work?—I believe there have been some cases in Mackay; but there are other cases where a white man has undertaken to trash, cut, and load the cane for 3s. 6d. a ton and has made money out of it.

915. Do you know whether that has been tried to any extent?—No; for the reason that white labour will not go into the sugar districts without a reasonable assurance that they might get the work.

916. Do you not think there ought to be better work for white men in a place like Queensland than working amongst the sugar-cane?—There ought to be plenty of work, but we have got so many "piebalds"—all nationalities.

917. But in the temperate parts of the colony ought there not to be plenty of work for white men?—There ought to be; but we are in this unhappy position: that while we have public works going on we have hundreds of people camped in the towns, and the "Chow" and Jap. and Javanese and Afghans are finding work and prospering.

918. What proportion of the sugar-cane industry is carried on by coloured labour?—At least a half.

919. Does not a lot of the money derived from the production of sugar find its way into the industries and branches of other trades in Queensland?—I suppose it does.

920. Is it not fair to assume that that gives a large amount of employment to the farmer?—It does not. It keeps the other man out of work, because the farmer employs the kanaka for a pound of rice, a pannikin of tea, and four "bob" a week; whereas if he employed white men he would have to pay the latter more, and there would be more money spent amongst business-people generally, who would reap the benefit of the larger expenditure.

921. But as it is now does not the white man get the benefit of the whole of the money in some form or another?—No. The great evil about the kanaka is that he is a menace to our white women. It is not safe for a white woman to go through the principal street of Bundaberg after dark without the fear of being outraged by these kanakas.

922. Have you ever heard of such things happening in relation to the whites?—Very rarely. But those things are frequently occurring in connection with the kanakas. The murders by kanakas at Mackay are awful—that is in my district. Besides, I do not think we ought to bring anybody into our country unless we can give them the full rights of citizenship.

924. *Mr. Luke.*] Then, that latter evidence of yours seems to be in direct opposition to a good deal of evidence that we had that the kanaka is a fairly moral subject?—I say he is a most immoral subject. He is immoral in this way: that he is deprived of his own women and he ravages our women.

925. Do not the kanakas bring a fair proportion of women with them?—No.

926. Do you not think that the laws of nature have put certain limitations on the white man as to where he can live and labour successfully?—I do not think so. I think the white man can work and live, and propagate, where anybody else can.

927. But will his species, propagated under those circumstances, develop strength and stamina?—They will. I think the white man is the superior race.

928. Can he go into the extreme north of Queensland and develop his species there?—I have done so myself; I am responsible for four myself. I was born in Rockhampton, that city of "Sin, Sorrow, and Satan," and lived twenty-seven years on Charters Towers, working in the mines there.

929. Is that as trying as the work in the sugar-fields?—I think it is more trying. What about the dynamite-fumes?

930. Have you not the artificial draught in the mines?—We have the propeller-fans.

931. *Hon. Captain Russell.*] You are thoroughly convinced, Mr. Dawson, that the sugar industry would not be imperilled by getting rid of the coloured labour?—Absolutely convinced.

932. Do you think it would increase or decrease if the coloured labour were sent away?—If the coloured labour were done away with farmers would take up small holdings and work the farms themselves. There would be an extension of the central-mill system, and the gross result would be an increase in the sugar-production. Sir Samuel Griffiths solved the whole difficulty with his central-mill and small-farm experiments.

933. Do you remember the experiment which was made when the Government offered the subsidy for the central mills, provided they only employed white labour?—The Racecourse Mill was tried here, but it was not a success. At that time the Mackay district was not paying; there were large plantations then, but now, under the system of small farms and central mills, it is the most prosperous sugar district in Queensland.

934. So long as the mills were confined to taking cane grown by white labour were they a success?—Yes.

935. We have been told that ultimately there was an evasion of the Act, and that the cane had to be taken from anywhere in order to keep the mills going: was that so?—The great trouble with the sugar-growers was this: You can only crush cane at certain periods of the year in order to get the quality and strength of the sugar, and the owner of a mill could refuse to take your cane unless you liked to sell it at his price; but when the Government subsidised the mills the farmers got a chance, as they were then not dependent on the private mills.

936. We have been told that these mills could not get the cane crushed by white labour?—I would like to know of a place where they could not get the cane.

937. We are informed that these very contractors who agreed to run the mills in the interest of white labour had to evade the Act in order to keep the mills going: is that correct?—That information is correct that they evaded the Act, but whether they had to do it is another matter.

938. But the experiment of white labour cultivating the sugar, even with Government aid, did not prove a success, did it?—It has proved a success all right. There are quite a number of mills that have not got an alien on the field, and never had one, and do not want one. One white man can do in eight hours three times what the kanaka does in twelve.

939. Then, why do they not employ the white man?—He will only go to a place where he can get a reasonable chance of employment.

940. But if a white man can do three times the work why do they not employ him?—I think it is due to fat-headedness.

941. In other words, that the sugar-planter is a stupid man who does not understand his business?—I would not like to say that, but I take it that he is prejudiced to such an extent that he has become fat-headed over this particular matter.

942. In the course of your reading, do you know of any country in the world where sugar is produced by European labour?—No.

943. Do you think that Queensland is, above all other parts of the world, the place that is able to do it?—I do.

944. What are its special advantages?—I do not think that Queensland is the only place; there is the Richmond and the Clarence.

945. Do you know of any other place where it has been tried?—I do not; but I say they are able to do it if they try.

946. Do you think that Australia is going to show the world the way to do it?—I do; and we have shown the world in one or two instances that we can beat them—the one-man-one-vote principle and the secret-ballot system, for instance.

Colonel HARRY FINN examined. (No. 261.)

947. *Hon. the Chairman.*] What is your rank, Colonel Finn?—Commandant of the Queensland Defence Forces, to which I have been attached one year.

948. What is the total Defence Force of this State?—Including rifle-clubs and cadets, between ten and eleven thousand.

949. What is your annual allowance of ammunition to Volunteers?—They get their ammunition for their musketry course (60 rounds) free, and an additional thirty rounds (free) if they complete their annual course.

950. At what price are they allowed to purchase ammunition?—The .303 at half price. They are armed with the Martini-Enfield .303.

951. Have you been in New Zealand?—I have not.

952. In the event of war with a foreign Power, assuming England has command of the sea, do you think that Australia and New Zealand would be able to render each other assistance in the shape of land forces?—I should think they could.

953. In New Zealand we have an enrolled force of eighteen thousand men: would that be sufficient for the land defence of the colony?—No one could tell without having visited the colony and knowing its local conditions. But that number ought to be sufficient to provide a good defence if the lateral communications were sufficiently good.

954. Assuming that the force maintained in Australia was only twenty-five thousand, which we have been told is the case, would Australia be able to render New Zealand efficient assistance in the event of England being at war?—I think not.

955. In your opinion, should there be a small-arms-ammunition factory maintained in Australia?—There is one at Melbourne now.

956. Is that able to supply the requirements of the Commonwealth?—I should think not.

957. In any case, whether New Zealand federates with Australia or not, should there, in your opinion, be a small-arms-ammunition factory in New Zealand?—Yes.

958. Have you any hope of artillery ammunition being manufactured in Australia?—I cannot say positively; I have a hope, but it ought to be quite possible in the future. I hope it will be.

959. *Hon. Captain Russell.*] Have you formed any idea as to the possibility of attack on the State, and, in the event of an attack, how many men could be landed?—If England retains command of the sea I do not think they could land a large number. Any attack would be more in the nature of a filibustering expedition. A cruiser or two might go for one or two of our towns and make them pay up.

960. Could an enemy land ten thousand men, for instance?—Possibly; but I would not like to say on how many given points they might land these men.

961. Would it be possible for them to evade all our cruisers and land a considerable army?—It would be barely possible.

962. Assuming that they could not land more than ten thousand men in New Zealand, would you imagine that eighteen thousand local troops, with the possibility of a levy *en masse*, could deal with them?—It comes back to my first answer as to the number of points they would try to tackle with ten thousand men.

963. *Hon. Mr. Bowen.*] Would it not be extremely difficult for any Power, so long as England ruled the sea, to land any force on these shores?—I cannot quite admit that, because it is so far possible that it would be dangerous to assume that they could not do it.

964. I suppose their great difficulty would be to provide coaling-stations at sea?—It would; but boats can coal at sea now a great deal more quickly than they could at one time.

965. *Hon. Captain Russell.*] Would you deem it necessary to keep the ammunition-factory some distance away from the sea on account of the possibility of a surprise?—Yes, and make it as little conspicuous as possible.

966. Thirty or forty miles away?—Yes, that would be an advantage.

967. *Mr. Luke.*] Supposing New Zealand did enter this Federation, do you not think that we in that colony would be obliged to look to our own resources rather than expect in a great crisis help from Australia?—I think you would. -

968. *Mr. Reid.*] Are you prepared to say whether as a matter of prudence it would be advisable for us in New Zealand to have the manufacture of ammunition controlled by the Government instead of leaving it to private enterprise?—The latter is more economical, and I do not see why it should not be possible to so arrange as to have sufficient control even over a private factory as to insure the Government requirements being always fully met.

969. Is there not this danger: that on account of labour troubles a private firm might have to suspend operations just at the critical moment?—There is a danger of that, but it could be overcome in a place like New Zealand. I should not think that men in the time of national troubles would let their private grievances stand in the way of the manufacture of ammunition necessary to defend their country, and it would be better to have it in the hands of the Government; but I do not think your requirements would be sufficiently large to warrant your establishing a Government factory.

970. Would not it be advisable to have the factory directly under Government control?—It would be better, but it is a matter of money. If you can afford to have it under your control, it would be better to have it so.

971. But the defence of a country is not purely a matter of finance?—I am assuming that if you have only £5 you cannot spend £7. You must have the money to spend it.

972. But, as a general principle of providing systematically and without delay for all requirements, would you not rather have the control of such a factory in the hands of the Government than leave it to private enterprise?—I say Yes to that without any hesitation.

973. *Mr. Leys.*] You have been attending a military conference, have you not?—I have.

974. Was any scheme of organization for the defence of the Commonwealth drawn up there?—It was a confidential assembly, and therefore I cannot say anything about it.

975. We have had from the Commandant of South Australia a statement that he thought fifty thousand troops would be necessary for a Commonwealth army. Giving your own opinion, apart from anything that might have happened at this conference, do you agree with that estimate?—Yes; I certainly think you want that number of men, even supposing that the rest of the male population are trained to shoot.

976. Do you think a large proportion of that should be a permanently paid force or mainly Volunteers?—I would not have a large proportion of permanent men, but sufficient to act as models for the others to be trained upon, with a fair proportion of partially paid.

977. Do you think that a large increase in the expenditure of the various States will be necessary in order to maintain an efficient defence for Australia?—No, I do not think a large increase will be necessary.

978. Do you think the present expenditure would be sufficient if the defence system were better organized?—Yes.

979. Do you contemplate that it would be desirable to establish an Australian navy?—I have not formed a definite opinion, but I do think that the first line of defence is not sufficiently recognised out here.

980. You think there ought to be an increase in the Australian squadron, whether it is provided by part contribution from the colonies or in any other way?—I think so.

981. Do you think the present system of the colonies contributing to the cost of the navy works well?—I hardly think that it works well from a Queensland point of view.

982. *Hon. Major Steward.*] From what you have been able to gather during the twelve months you have been here, and from what you know of the various other States and of the coastal towns which would be liable to attack, supposing that your forces numbered from forty to fifty thousand men, and England were at war with a first-class Power, do you think you would be able to spare any men to help us?—I think not.

983. General French, in giving his evidence, mentioned that one advantage of New Zealand joining the Federation would be that the whole of the Australian and New Zealand forces would be under one commanding discipline: do you agree with that view?—Your distance would be a disadvantage, and I say that after having an experience in connection with Burmah, where the command is under the Officer Commanding the Madras Presidency.

984. Do you think there was any great advantage in Burmah being under the Madras Presidency?—Yes; because we were assured that one system would be followed out, and we were armed with the same arms.

985. Do you not think it would be an advantage if the whole of the Australian forces were armed with the same weapon?—Yes.

986. Do you agree with the view that there should be an Australian Military College?—Yes, whether New Zealand joins us or not.

987. Then, is it not possible that even without federating we might agree with Australia to establish such a college so that our men could be trained under proper conditions?—That ought to be possible, and it would be a great advantage if the college were under one control.

988. Would not it also be possible for us to mutually agree to adopt the same pattern of arms?—That would be a good thing, but it could not be made compulsory.

989. *Hon. the Chairman.*] Do you not think that the best means of defence, both for Australia and New Zealand, is to increase the subsidy to the Imperial navy so as to have a better class of ships here and more of them?—I do not know sufficient of the details of that arrangement to form an opinion, but I do not consider the present condition of things is satisfactory.

990. Is there anything you wish to add to your evidence?—I might say that in India we attach very great importance to every part of our armament and equipment being interchangeable, and if we are all under one head that is more likely to be arranged for than if we are under separate Governments. I think the defence forces ought to be more efficient for the money spent by being one supreme control.

991. Are all the forces in Australia armed with the same pattern of rifle?—No, and I do not know where you will find any force on the Continent of Europe or elsewhere that is armed with the same rifle throughout. That weapon is being changed so frequently, and there is always the desire on the part of every Power to have the best rifle, that it would involve vast expenditure to keep on arming your forces with every new rifle that is brought out.

992. Has not experience proved that in time of war there is very great trouble in obtaining supplies of arms and ammunition from the Mother-country?—Yes, and that is the difficulty existing at present. We have a great difficulty in getting ammunition from Home, and we are getting it from Melbourne instead.

EXHIBITS.

EXHIBIT No. 1.

[Extract from "The Seven Colonies of Australasia," 1899-1900.]

In New Zealand information regarding the manufacturing industry is obtained only at the quinquennial census. In 1886 there were 1,946 establishments, employing 22,095 persons; in 1891 the establishments numbered 2,254, and the hands 25,633; and in 1896 there were 2,440 establishments, employing 27,336 persons.

Labour Department	...	...	4,647 establishments,	32,387 hands.
Registrar-General	...	...	2,440	27,336 "
Difference	...	...	2,207	5,051 "

RETURN OF WAGES PAID IN VARIOUS TRADES IN THE AUSTRALASIAN COLONIES.

(By J. MACKAY, Inspector of Factories.)

Trades.	New Zealand.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.
	1900.	1899.	1899.	1899.	1897.	1899.
Bricklayers ..	12s.	9s. to 10s.	9s.	8s. to 12s.	9s.	..
Brewers ..	5s. to £1	2s.6d. to 16s.8d.	7s.1d. to 9s.2d. ⁽¹⁾	7s.6d. to 11s.8d.
Bootmakers ..	7s. to 10s.	8d. to 12s.6d.	6s. 2d. to 7s.	4s. 6d. to 7s. 6d.	7s.	4s. to 13s. 4d.
Brick & pottery makers	5s. to 9s.	8d. to 7s. 6d. ⁽²⁾	10d. to 3s. 4d. ⁽³⁾	10s.	10s. 6d. per 1,000	..
Basketmakers ..	3s. to 9s. 6d.	3s. 4d. to 9s. 3d.	6s. 8d. to 8s.	..	..	..
Brush & broom makers	3s. to 8s.	3s. to 8s. 2d.	5s. 10d. to 8s. 4d.	..	..	..
Blacksmiths ..	7s. to 10s.	3s. 4d. to 11s. 8d.	10s. to 12s.	7s. to 10s.	10s.	10s. to 15s.
Butchers ..	8s. 6d. to 11s. 8d.	..	5s. to 11s. 8d. ⁽⁴⁾	7s. to 10s. ⁽⁵⁾	5s. 3d. ⁽⁶⁾	8s. 4d. ⁽⁶⁾
Boatbuilders ..	10s. to 12s.	..	..	..	..	..
Carpenters and joiners	10s.	4s. 9d. to 11s. 8d.	9s.	7s. 6d. to 10s. 6d.	9s.	10s. to 13s. 4d.
Coopers ..	8s. to 9s. 6d.	3s. 4d. to 12s. 6d.	7s. to 9s.	8s. to 10s.	..	..
Coachbuilders ..	7s. to 10s.	3s. 4d. to 11s. 8d.	4s. 2d. to 8s. 4d.	6s. to 10s. 6d.	8s. 6d. to 9s.	8s. to 13s. 4d.
Cycle engineers ..	8s. to 10s.	5s. to 11s. 8d.	..	..	..	..
Cabinetmakers ..	8s. to 9s. 6d.	5s. 10d. to 9s. 4d.	6s. 8d. to 9s. 2d.	5s. to 9s.	8s. to 9s. 6d.	..
Chairmakers ..	8s. to 9s. 6d.	5s. 6d. to 7s. 6d.	..	..	..	..
Compositors ..	9s. to 11s. 6d.	5s. to 15s.	8s. 8d. to 10s.	..	9s. 2d.	9s. 6d. to 12s. 6d.
Electrical engineers..	10s. to £1	10s. to 16s. 8d.	..	..	..	..
Engravers ..	7s. to 10s.	7s. 6d. to 18s. 4d.	6s. 8d. to 10s.	..	..	..
Electroplaters ..	8s. to 10s.	10s.	..	..	..	..
Flourmillers ..	5s. to 10s.	2s. 6d. to 18s. 4d.	..	..	9s.	..
Flaxmillers ..	5s. to 8s.	..	..	..	..	..
Galvanised-iron workers	7s. to 10s.	5s. to 11s.	8s. 8d. to 10s.	..	8s.	..
Monumental masons	10s. to 12s.	6s. 8d. to 10s.	..	..	..	..
Miners ..	8s. to 10s. ⁽⁸⁾	2s. 3d. to 13s. ⁽⁹⁾	5s. to 10s.	..	7s.	9s. to 10s.
Plasterers ..	11s. to 13s.	8s. to 9s.	8s.	8s. to 10s.	9s.	11s.
Plumbers ..	8s. to 11s.	6s. 8d. to 8s.	10s. to 13s. 4d.	..	9s.	8s. to 15s.
Painters ..	9s. 4d.	5s. to 9s.	8s.	6s. to 9s.	8s.	8s. 6d. to 13s. 4d.
Piano & organ builders	7s. to 11s. 6d.	3s. 9d. to 6s. ⁽¹²⁾
Rope & twine makers	6s. 6d. to 8s. 6d.	2s. 3d. to 8s.	..	..	..	..
Shipwrights ..	10s. to 12s.	..	£9 per month	..	..	10s.
Saddlers ..	8s.	..	4s. 2d. to 10s.	..	7s. to 8s.	8s. 4d.
Sail and tent makers	5s. to 11s. 6d.	3s. 4d. to 9s. 4d.	..	..	..	..
Tanners, fellmongers, and woolscourers	5s. to 10s.	2s. 6d. to 10s. 8d.	5s. to 6s. 8d.	..	Tanners, 7s. 6d. Curriers, 8s. 6d.	7s. to 9s.
Wheelwrights ..	5s. to 9s.	5s. 6d. to 9s.	..	8s. to 10s.	8s. 6d.	10s. to 13s. 4d.
Tailors ..	7s. to 10s.	3s. 4d. to 10s. 10d.	7s. 6d. to 8s. 4d.	7s. to 10s.	1s. per hour	4s. to 13s. 4d.
Dressmakers (per week)	4s. to £1 5s.	5s. to £1 17s. ⁽¹⁴⁾	12s. to £1 5s.	..	..	..
Watchmakers ..	3s. 9d. to 15s.	5s. to 16s. 8d.	6s. 8d. to 11s. 8d.	..	..	..
Wax-vesta makers ..	2s. 6d. to 11s. 8d.	..	..	..	..	..
Wire-mattress makers	5s. 5d. to 8s. 4d.	5s. 10d. to 8s. 8d.	..	..	..	..
Tailoresses ..	1s. 3d. to 5s. 10d.	1s. 8d. to 5s.	3s. 4d. to 5s.	..	..	..
Farm-labourers ⁽¹⁵⁾	2s. 1d. to 2s. 6d.	2s. 1d. to 2s. 6d.	2s. to 3s. 4d.	..	..
Ploughmen ⁽¹⁵⁾	2s. 6d. to 3s. 4d.	2s. to 3s. 4d.	..	..
Men cooks on farms ..	..	2/1 to 2/6 ⁽¹⁵⁾	£45 to £65	4s. 2d. to 5s.	4s. 8d.	..
Shepherds (per year)	£52 to £75	£45 to £50	£39 to £78	..	£45	..
Shearers ⁽¹⁶⁾ ..	£1	17s. 6d. to £1	13s. to 15s. ⁽¹⁷⁾	17s. 6d. to £1 ⁽¹⁵⁾	13s.	..

(1) Maltsters. (2) Women. (3) Apprentices. (4) Potters, per hour. (5) Brickmakers, per 1,000. (6) Slaughtermen only. (7) Chinese. (8) Per shift. (9) Boys included. (10) Boys. (11) Gold-miners. (12) Improvers only. (13) Curriers. (14) Apprentices, nil to 5s. (15) And found. (16) Per 100 sheep. (17) With rations.

EXHIBIT No. 2.

RETURN FOR THE YEAR 1899 SHOWING THE AVERAGE WEEKLY WAGES PAID IN VARIOUS TRADES IN VICTORIA,
COMPILED FROM INFORMATION SUPPLIED BY MANUFACTURERS.

(From the Report of the Chief Inspector of Factories.)

Proprietors, general managers, and a number of casual employés are often not included.

The trades are arranged according to the average weekly wages paid to all employés.

The working-hours for females are forty-eight per week. For males the usual working-hours in a majority of the factories are also forty-eight per week, but this rule is by no means general, and in some factories the hours are as high as sixty per week.

Class of Trade.	Age—Male.					Total Males.	Age—Female.					Total Females.	Total Employés.	Average Weekly Wage of all Employés.
	13 Years.	14 Years.	15 Years.	16 Years and over, and receiving under £1.	16 Years and over, and receiving £1 and upwards.		13 Years.	14 Years.	15 Years.	16 Years and over, and receiving under £1.	16 Years and over, and receiving £1 and upwards.			
Wool-dumping—														
Number of employés	51	51	..	..	..	..	..	..	51	8 s. d.
Average weekly wage	2/7/1	2/7/1	..	..	..	..	..	..	..	2 7 1
Organs and musical instruments—														
Number of employés	1	..	5	19	25	..	..	..	..	..	..	25	..
Average weekly wage	5/0	..	10/6	2/14/9	2/3/11	..	..	..	..	..	..	..	2 3 11
Refrigerating and ice—														
Number of employés	2	72	74	..	..	..	..	..	..	74	..
Average weekly wage	16/3	2/3/5	2/2/9	..	..	..	..	..	..	..	2 2 9
Preserving-works (meat) —														
Number of employés	1	4	88	93	..	..	..	..	..	..	93	..
Average weekly wage	6/6	12/10	2/4/4	2/2/7	..	..	..	..	..	..	..	2 2 7
Distilleries—														
Number of employés	1	6	58	65	..	..	..	..	..	..	65	..
Average weekly wage	7/6	15/1	2/5/4	2/1/11	..	..	..	..	..	..	..	2 1 11
Billiard-tables, &c.—														
Number of employés	1	3	4	..	..	..	..	..	..	4	..
Average weekly wage	17/6	2/10/0	2/1/11	..	..	..	..	..	..	..	2 1 11
Malt and malt-extract—														
Number of employés	1	84	85	..	..	..	..	..	..	85	..
Average weekly wage	10/0	2/1/11	2/1/6	..	..	..	..	..	..	..	2 1 6
Paint, varnish, white-lead, plaster of-paris, &c.—														
Number of employés	1	..	3	9	13	..	..	..	..	..	..	13	..
Average weekly wage	10/0	..	17/6	2/2/8	2/1/3	..	..	..	..	..	..	..	2 1 3
Electric light, batteries, &c.—														
Number of employés	17	115	132	..	..	..	..	..	..	132	..
Average weekly wage	9/8	2/5/9	2/1/1	..	..	..	..	..	..	..	2 1 1
Cutlery—														
Number of employés	1	1	10	12	..	..	..	..	..	..	12	..
Average weekly wage	7/6	10/0	2/7/5	2/1/0	..	..	..	..	..	..	..	2 1 0
Lead and shot works—														
Number of employés	10	10	..	..	..	..	..	..	10	..
Average weekly wage	2/0/8	2/0/8	..	..	..	..	..	..	..	2 0 8
Flour-mills—														
Number of employés	1	..	21	228	250	..	..	..	..	..	..	250	..
Average weekly wage	7/6	..	12/8	2/2/9	2/0/1	..	..	..	..	..	..	..	2 0 1
Bark-mills—														
Number of employés	17	17	..	..	..	..	..	..	17	..
Average weekly wage	1/19/8	1/19/8	..	..	..	..	..	..	..	1 19 8
Wood-patterns—														
Number of employés	1	1	1	8	11	..	..	..	..	..	..	11	..
Average weekly wage	5/0	2/6	7/6	2/11/6	1/18/10	..	..	..	..	..	..	..	1 18 10
Bacon—														
Number of employés	6	72	78	..	..	..	..	..	..	78	..
Average weekly wage	6/9	2/0/10	1/18/5	..	..	..	..	..	..	..	1 18 5
Stone-breaking by machinery—														
Number of employés	1	28	29	..	..	..	..	..	..	29	..
Average weekly wage	15/0	1/18/11	1/18/1	..	..	..	..	..	..	..	1 18 1
Pyrites and metallurgical works—														
Number of employés	1	51	52	..	..	..	..	..	..	52	..
Average weekly wage	17/6	1/18/5	1/18/0	..	..	..	..	..	..	..	1 18 0
Small goods, sausages, &c.—														
Number of employés	15	156	171	..	..	..	..	..	..	171	..
Average weekly wage	13/6	1/18/4	1/16/2	..	..	..	..	..	..	..	1 16 2
Breweries, bottling ale, &c.—														
Number of employés	12	11	78	483	584	..	..	..	..	..	..	584	..
Average weekly wage	7/2	7/10	12/4	2/1/4	1/16/1	..	..	..	..	..	..	..	1 16 1
Die-sinking and engraving—														
Number of employés	3	17	40	60	..	..	..	..	..	..	60	..
Average weekly wage	5/0	13/1	2/8/0	1/16/0	..	..	..	..	..	..	..	1 16 0
Sugar-refining—														
Number of employés	2	18	41	210	271	..	..	2	2	4	..	275	..
Average weekly wage	7/6	10/7	13/10	2/2/7	1/15/11	..	..	13/6	20/0	16/9	..	..	1 15 7
Foundries, machinery, iron, brass, copper works, tools, &c.—														
Number of employés	3	44	141	1,225	4,149	5,562	..	..	..	..	..	5,562	..
Average weekly wage	4/2	5/11	7/1	10/4	2/4/1	1/15/4	..	..	..	..	..	..	1 15 4
Bricks, potteries, earthenware, &c.—														
Number of employés	5	17	89	520	631	..	..	..	..	..	..	631	..
Average weekly wage	5/10	7/6	11/7	2/0/8	1/15/4	..	..	..	..	..	..	..	1 15 4
Modelling, plasterwork, &c.—														
Number of employés	1	8	9	..	..	..	..	..	..	9	..
Average weekly wage	6/0	1/18/11	1/15/3	..	..	..	..	..	..	..	1 15

EXHIBIT No. 2—continued.

RETURN FOR THE YEAR 1899 SHOWING THE AVERAGE WEEKLY WAGES PAID IN VARIOUS TRADES, ETC.—contd.

Class of Trade.	Age—Male.					Total Males.	Age—Female.					Total Females.	Total Employés.	Average Weekly Wage of all Employés.	
	13 Years.	14 Years.	15 Years.	16 Years and over, and receiving under £1.	16 Years and over, and receiving £1 and upwards.		13 Years.	14 Years.	15 Years.	16 Years and over, and receiving under £1.	16 Years and over, and receiving £1 and upwards.				
Salt-refining—															
Number of employés ..	..	..	..	..	3	3	..	..	..	..	..	..	3	£	s. d.
Average weekly wage ..	..	..	..	..	1/15/0	1/15/0	..	..	..	..	..	..	..	1	15 0
Cement—															
Number of employés ..	..	..	..	3	47	50	..	..	..	..	..	..	50	1	14 9
Average weekly wage ..	..	..	..	11/4	1/16/3	1/14/9	..	..	..	..	..	..	..	1	14 9
Manure (chemical), bone mills, dessicating-works, glue, &c.—															
Number of employés ..	1	4	8	15	125	153	..	..	..	..	..	..	153	1	14 9
Average weekly wage ..	5/0	7/8	9/7	14/0	1/19/11	1/14/9	..	..	..	..	..	..	..	1	14 9
Cooperage—															
Number of employés ..	..	1	1	17	73	92	..	..	..	..	..	..	92	1	14 6
Average weekly wage ..	..	8/0	3/0	10/7	2/0/10	1/14/6	..	..	..	..	..	..	..	1	14 6
Nails—															
Number of employés ..	2	1	3	14	49	69	..	..	..	..	..	..	69	1	14 5
Average weekly wage ..	5/6	6/0	7/4	15/11	2/3/2	1/14/5	..	..	..	..	..	..	..	1	14 5
Carpenters' and joiners' works, saw-mills, &c.—															
Number of employés ..	..	11	28	287	1,029	1,355	..	..	..	..	..	..	1,355	1	12 7
Average weekly wage ..	..	6/1	6/11	11/10	1/19/4	1/12/7	..	..	..	..	..	..	..	1	12 7
Marble and masons' work															
Number of employés ..	..	1	4	29	142	176	..	..	..	..	..	..	176	1	12 5
Average weekly wage ..	..	5/0	5/0	11/11	1/17/7	1/12/5	..	..	..	..	..	..	..	1	12 5
Lamps—															
Number of employés ..	..	..	..	2	10	12	..	..	..	..	..	..	12	1	12 3
Average weekly wage ..	..	..	..	8/9	1/16/11	1/12/3	..	..	..	..	..	..	..	1	12 3
Butter, cheese, preserved milk, &c.—															
Number of employés ..	..	..	..	30	142	172	..	..	..	1	1	2	174	1	12 2
Average weekly wage ..	..	..	..	11/7	1/16/8	1/12/4	..	..	..	17/6	1/5/0	1/1/3	..	1	12 2
Jewellery, watches, electro-plating, &c.—															
Number of employés ..	2	13	18	103	269	405	..	..	..	11	4	15	420	1	11 11
Average weekly wage ..	3/9	4/9	5/5	9/7	2/4/9	1/12/7	..	..	..	9/8	1/4/5	13/7	..	1	11 11
Fellmongers—															
Number of employés ..	..	3	..	23	292	318	..	..	..	..	..	..	318	1	11 11
Average weekly wage ..	..	7/2	..	14/1	1/13/7	1/11/11	..	..	..	..	..	..	..	1	11 11
Candles, soap, tallow works, &c.—															
Number of employés ..	4	8	5	48	298	363	..	..	..	1	2	3	366	1	11 6
Average weekly wage ..	6/0	7/5	9/0	10/8	1/16/5	1/11/8	..	..	..	15/0	1/0/0	18/4	..	1	11 6
Firewood—															
Number of employés ..	..	..	..	..	2	2	..	..	..	..	..	..	2	1	11 6
Average weekly wage ..	..	..	..	..	1/11/6	1/11/6	..	..	..	..	..	..	..	1	11 6
Tanneries—															
Number of employés ..	..	4	13	111	629	757	..	..	..	..	..	..	757	1	11 2
Average weekly wage ..	..	5/3	7/6	12/6	1/15/2	1/11/2	..	..	..	..	..	..	..	1	11 2
Chaff-cutting, grain-crushing, &c.—															
Number of employés ..	..	3	3	38	287	331	..	..	..	..	..	..	331	1	10 7
Average weekly wage ..	..	9/10	11/0	11/9	1/13/6	1/10/7	..	..	..	..	..	..	..	1	10 7
Skin packing, sorting, &c.—															
Number of employés ..	..	..	1	9	42	52	..	..	..	..	..	..	52	1	10 4
Average weekly wage ..	..	..	10/0	8/0	1/15/8	1/10/4	..	..	..	..	..	..	..	1	10 4
Carriages, wagons, drays, &c.—															
Number of employés ..	2	10	39	423	925	1,399	..	..	..	1	1	2	1,401	1	10 1
Average weekly wage ..	3/9	3/10	5/9	9/7	2/0/10	1/10/1	..	..	..	15/0	1/0/0	17/6	..	1	10 1
Eucalyptus oil—															
Number of employés ..	..	1	..	3	6	10	..	..	..	2	..	2	12	1	10 0
Average weekly wage ..	..	5/0	..	14/2	2/7/11	1/13/6	..	..	..	12/6	..	12/6	..	1	10 0
Pastry—															
Number of employés ..	..	1	4	13	51	69	..	..	..	6	1	7	76	1	9 6
Average weekly wage ..	..	15/0	6/3	11/8	1/18/6	1/11/3	..	..	..	10/0	1/5/0	12/2	..	1	9 6
Whips—															
Number of employés ..	..	..	..	3	10	13	..	..	..	..	..	..	13	1	9 4
Average weekly wage ..	..	..	..	12/4	1/14/5	1/9/4	..	..	..	..	..	..	..	1	9 4
Glass bottles, &c.—															
Number of employés ..	..	4	7	143	218	372	..	..	..	..	..	..	372	1	9 4
Average weekly wage ..	..	6/3	8/4	11/1	2/2/4	1/9/4	..	..	..	..	..	..	..	1	9 4
Glass-staining—															
Number of employés ..	..	..	5	4	13	22	..	..	..	..	..	..	22	1	8 6
Average weekly wage ..	..	..	6/3	11/2	2/2/5	1/8/6	..	..	..	..	..	..	..	1	8 6
Plumbers—															
Number of employés ..	2	1	2	45	81	131	..	..	..	..	..	..	131	1	8 6
Average weekly wage ..	3/0	7/6	3/3	7/9	2/1/6	1/8/6	..	..	..	..	..	..	..	1	8 6
Filters—															
Number of employés ..	..	..	..	3	3	6	..	..	..	..	..	..	6	1	7 8
Average weekly wage ..	..	..	..	11/4	2/4/0	1/7/8	..	..	..	..	..	..	..	1	7 8
Printing, stationery, bookbinding, card boxes, &c.—															
Number of employés ..	35	89	148	793	1,840	2,905	2	20	39	866	67	994	3,899	1	7 4
Average weekly wage ..	6/1	6/0	6/6	11/3	2/6/3	1/12/11	4/3	5/7	5/8	10/2	1/3/11	10/10	..	1	7 4
Flock-mills—															
Number of employés ..	..	..	..	1	47	48	..	..	..	35	2	37	85	1	6 11
Average weekly wage ..	..	..	..	18/0	1/17/10	1/17/5	..	..	..	12/11	1/0/0	13/4	..	1	6 11
Aerated waters, &c.—															
Number of employés ..	..	1	6	110	259	376	..	1	1	11	..	13	389	6	7
Average weekly wage ..	..	5/0	7/9	12/6	1/13/11	1/7/2	..	5/0	7/0	10/8	..	9/11	..	6	7

EXHIBIT No. 2—continued.

RETURN FOR THE YEAR 1899 SHOWING THE AVERAGE WEEKLY WAGES PAID IN VARIOUS TRADES, ETC.—contd.

Class of Trade	Age—Male.					Total Males.	Age—Female.					Total Females.	Total Employés.	Average Weekly Wage of all Employés.	
	13 Years.	14 Years.	15 Years.	16 Years and over, and receiving under £1.	16 Years and over, and receiving £1 and upwards.		13 Years.	14 Years.	15 Years.	16 Years and over, and receiving under £1.	16 Years and over, and receiving £1 and upwards.				
Cycles—															£ s. d.
Number of employés	2	11	47	83	143	..	..	..	1	1	2	145	..
Average weekly wage	4/6	7/10	10/1	1/18/6	1/6/4	..	..	..	10/0	1/5/0	17/6	..	1 6 3
Sausage-skins—															
Number of employés	12	2	25	39	..	..	..	..	..	..	39	..
Average weekly wage	10/4	15/6	1/14/9	1/6/3	..	..	..	..	..	..	..	1 6 3
Bedsteads, iron—															
Number of employés	34	49	83	..	..	..	..	..	..	83	..
Average weekly wage	13/4	1/13/10	1/5/5	..	..	..	..	..	..	..	1 5 5
Packing-cases—															
Number of employés	2	..	16	40	58	..	..	..	..	..	..	58	..
Average weekly wage	8/6	..	12/6	1/11/4	1/5/4	..	..	..	..	..	..	..	1 5 4
Harness, saddlery, &c.—															
Number of employés	1	9	22	104	224	366	..	..	3	11	3	17	377	..
Average weekly wage	3/6	4/2	4/7	9/11	1/16/6	1/6/0	..	..	3/4	13/5	1/1/8	13/1	..	1 5 5
Tinware—															
Number of employés	14	30	156	236	436	..	..	..	..	..	..	436	..
Average weekly wage	5/8	7/4	10/6	1/17/8	1/4/10	..	..	..	..	..	..	..	1 4 10
Hats (straw, felt, &c.), caps, &c.—															
Number of employés	2	7	15	62	261	347	..	13	20	336	135	504	851	..
Average weekly wage	5/6	7/5	8/4	12/0	2/8/5	1/19/1	..	4/8	6/9	11/8	1/4/6	14/9	..	1 4 8
Photographs—															
Number of employés	2	1	42	50	95	..	..	5	43	31	79	174	..
Average weekly wage	7/6	3/0	13/1	2/4/0	1/19/2	..	..	5/8	9/6	1/9/3	17/0	..	1 3 8
Wire-works—															
Number of employés	1	7	6	24	37	75	..	..	..	..	..	..	75	..
Average weekly wage	5/0	7/0	6/7	11/8	1/16/8	1/3/1	..	..	..	..	..	..	..	1 3 1
Glass bevelling, silvering, and cutting															
Number of employés	4	..	28	27	59	..	..	..	..	..	..	59	..
Average weekly wage	5/0	..	10/9	1/18/7	1/3/1	..	..	..	..	..	..	..	1 3 1
Brushes, brooms, &c.—															
Number of employés	2	4	8	36	120	170	..	3	5	36	6	50	220	..
Average weekly wage	9/6	6/0	7/4	11/4	1/12/5	1/5/11	..	4/8	5/8	12/10	1/2/2	12/9	..	1 2 11
Wickerwork and bamboo furniture—															
Number of employés	4	13	11	35	63	126	..	..	..	..	..	..	126	..
Average weekly wage	5/0	5/1	5/11	9/7	1/17/11	1/2/10	..	..	..	..	..	..	..	1 2 10
Lenses (glass)—															
Number of employés	2	5	7	..	..	1	..	..	1	8	..
Average weekly wage	6/3	1/12/6	1/5/0	..	..	5/0	..	..	5/0	..	1 2 6
Cigars, tobacco, cigarettes, &c.—															
Number of employés	3	12	17	102	363	497	2	7	9	413	25	456	953	..
Average weekly wage	6/0	7/1	7/1	13/3	1/17/1	1/10/3	7/6	5/3	7/5	12/5	1/7/11	13/0	..	1 2 0
Chemical works—															
Number of employés	2	..	37	55	94	..	1	1	41	12	55	149	..
Average weekly wage	5/3	..	11/0	1/17/9	1/6/6	..	8/0	8/0	13/4	18/0	14/2	..	1 2 0
Ink—															
Number of employés	5	4	16	25	..	..	..	..	..	..	25	..
Average weekly wage	7/11	8/6	1/9/6	1/1/10	..	..	..	..	..	..	..	1 1 10
Mats, rugs, &c.—															
Number of employés	4	4	..	..	..	3	..	3	7	..
Average weekly wage	1/8/1	1/8/1	..	..	..	11/10	..	11/10	..	1 1 2
Picture-frames—															
Number of employés	1	4	22	22	49	..	..	..	3	1	4	53	..
Average weekly wage	5/0	5/4	10/5	1/16/3	1/1/6	..	..	..	10/10	1/5/0	14/4	..	1 0 11
Pneumatic tires—															
Number of employés	1	3	48	37	89	..	..	..	3	1	4	93	..
Average weekly wage	5/0	5/4	13/1	1/12/6	1/0/9	..	..	..	14/2	1/2/6	16/3	..	1 0 7
Grocers' sundries, maizena, spices, &c.—															
Number of employés	4	9	8	95	184	300	..	..	..	235	9	244	544	..
Average weekly wage	4/6	5/10	6/3	12/4	1/18/8	1/8/1	..	..	..	10/5	1/6/1	11/0	..	1 0 5
Furriers—															
Number of employés	2	2	7	11	..	..	..	23	8	31	42	..
Average weekly wage	7/6	11/0	2/5/0	1/12/0	..	..	..	12/7	1/5/2	15/10	..	1 0 1
Preserving - works, jams, pickles, sauces, &c.—															
Number of employés	2	11	32	142	275	462	..	1	4	157	1	163	625	..
Average weekly wage	7/0	6/4	7/0	11/8	1/12/0	1/3/4	..	6/0	8/6	10/5	1/0/0	10/5	..	0 19 11
Woollen-mills—															
Number of employés	17	40	30	101	212	400	1	12	20	201	145	379	779	..
Average weekly wage	6/5	6/5	7/11	11/10	1/15/10	1/3/6	5/0	6/0	6/5	12/1	1/3/10	16/1	..	0 19 10
Carpets, curtains, cushions, &c.—															
Number of employés	7	21	28	28	..
Average weekly wage	7/10	1/3/7	19/5	..	0 19 8
Laundries (Chinese)—															
Number of employés	29	28	57	..	..	..	..	..	..	57	..
Average weekly wage	13/1	1/6/5	19/8	..	..	..	..	..	..	..	0 19 8
Leather fancy goods—															
Number of employés	1	2	1	14	20	38	..	..	..	29	4	33	71	..
Average weekly wage	2/6	6/0	7/0	10/3	2/1/10	1/6/6	..	..	..	10/2	1/0/0	11/5	..	0 19 6
Dye-works, &c.—															
Number of employés	7	14	21	2	..	2	43	17	64	85	..
Average weekly wage	12/1	2/1/2	1/11/5	4/0	..	4/6	13/1	1/3/3	15/3	..	0 19 3

EXHIBIT No. 2—continued.

RETURN FOR THE YEAR 1899 SHOWING THE AVERAGE WEEKLY WAGES PAID IN VARIOUS TRADES, ETC.—contd.

Class of Trade.	Age—Male.						Total Males.	Age—Female.						Total Females.	Total Employes.	Average Weekly Wage of all Employes.
	13 Years.	14 Years.	15 Years.	16 Years and over and receiving under £1.	16 years and over, and receiving £1 and upwards.			13 Years.	14 Years.	15 Years.	16 Years and over and receiving under £1.	16 Years and over, and receiving £1 and upwards.				
Hair-carding—																
Number of employes	4	8	11	23	..	..	2	2	1	5	28	£	s. d.
Average weekly wage	7/2	12/3	1/11/11	1/0/9	..	..	5/0	9/6	1/0/0	9/10	..	0 18 10		
Asbestos—																
Number of employes	5	7	12	..	..	..	..	..	..	12	..	..	..
Average weekly wage	9/10	1/5/2	18/9	..	..	..	..	..	..	..	0 18 9		
Tea-packing—																
Number of employes	1	12	15	54	63	145	..	..	..	42	..	42	187	..	..
Average weekly wage	6/0	7/3	9/2	12/1	1/12/9	1/0/4	..	..	..	13/4	..	13/4	..	0 18 9	
Bedding, mattresses, &c.—																
Number of employes	1	17	18	36	..	..	..	3	..	3	39	..	..
Average weekly wage	5/0	10/2	1/8/9	19/4	..	..	..	10/8	..	10/8	..	0 18 8	
Blinds (Venetian, &c.)—																
Number of employes	2	1	16	13	32	..	..	..	..	..	..	32	..	..
Average weekly wage	6/6	8/0	8/7	1/13/9	18/8	..	..	..	..	..	..	..	0 18 8	
Waterproof clothing—																
Number of employes	3	4	13	20	..	..	6	89	46	141	161	..	..
Average weekly wage	12/0	9/4	2/5/5	1/13/2	..	..	4/7	14/0	1/2/6	16/5	..	0 18 6	
Umbrellas—																
Number of employes	1	3	6	11	21	..	..	..	42	8	50	71	..	..
Average weekly wage	5/0	6/0	11/3	2/5/2	1/7/11	..	..	..	12/11	1/1/10	14/4	..	0 18 5	
Rope, twine, &c.—																
Number of employes	1	9	27	76	119	232	..	..	2	8	145	..	155	387	..
Average weekly wage	6/0	6/10	8/5	11/5	1/13/9	1/2/4	..	..	5/0	6/6	10/7	..	10/4	..	0 17 6
Florists (manufacturing bouquets)—																
Number of employes	2	1	3	..	..	..	8	10	18	21	..	..
Average weekly wage	8/0	1/5/0	13/8	..	..	..	8/9	1/4/0	17/3	..	0 16 9	
Fire-kindlers and matches (wax)—																
Number of employes	1	2	8	7	18	..	..	3	32	7	42	60	..	..
Average weekly wage	6/0	6/9	11/10	1/11/10	18/9	..	..	13/0	14/11	1/0/9	15/9	..	0 16 8	
Corsets—																
Number of employes	23	11	34	34	..	..
Average weekly wage	10/10	1/8/7	16/7	..	0 16 7	
Sign-writing—																
Number of employes	3	2	5	..	..	..	..	..	..	5	..	..
Average weekly wage	10/10	1/5/0	16/6	..	..	..	..	..	..	..	0 16 6	
Biscuits, confectionery, &c.—																
Number of employes	8	76	69	273	272	698	1	2	12	435	18	468	1,166	..	..
Average weekly wage	6/0	6/11	7/2	10/3	1/18/4	1/0/6	6/0	2/9	7/8	9/8	1/1/11	10/1	..	0 16 3	
Laundries (European)—																
Number of employes	1	..	9	10	..	..	8	271	96	375	385	..	..
Average weekly wage	7/6	..	1/10/1	1/7/10	..	..	5/11	13/9	1/2/8	15/10	..	0 16 2	
Marine stores—																
Number of employes	3	1	4	..	..	..	..	..	..	4	..	..
Average weekly wage	12/6	1/5/0	15/8	..	..	..	..	..	..	..	0 15 8	
Toys—																
Number of employes	4	..	3	3	10	..	..	..	..	..	..	10	..	..
Average weekly wage	6/10	..	10/6	1/13/4	15/11	..	..	..	..	..	..	..	0 15 11	
Bags (gunny)—																
Number of employes	8	4	12	..	..	..	12	..	12	24	..	..
Average weekly wage	11/3	1/10/11	17/10	..	..	..	12/9	..	12/9	..	0 15 3	
Boxes, trunks, &c.—																
Number of employes	1	4	10	13	14	42	..	..	1	3	..	4	46	..	..
Average weekly wage	5/0	4/10	6/4	11/11	1/9/3	15/6	..	..	7/6	14/2	..	12/6	..	0 15 3	
Safety-fuse—																
Number of employes	6	..	5	5	16	..	..	1	27	1	29	45	..	..
Average weekly wage	5/0	..	10/2	2/10/11	21/0	..	..	5/0	10/1	1/0/0	10/3	..	0 14 1	
Ties—																
Number of employes	1	..	1	10	14	26	..	1	13	155	18	187	213	..	..
Average weekly wage	5/0	..	7/6	13/2	1/19/6	1/6/9	..	2/6	4/6	10/7	1/3/1	11/4	..	0 13 3	
Hosiery—																
Number of employes	1	..	..	59	4	10	2	4	18	119	5	148	158	..	..
Average weekly wage	5/6	..	..	11/10	2/5/0	1/4/5	6/0	4/4	5/3	12/1	1/1/0	11/3	..	0 12 1	
Dresses, millinery, mantles, &c.—																
Number of employes	1	5	19	25	4	56	238	4,166	518	5,042	5,067	..	..
Average weekly wage	6/0	12/6	2/6/9	1/18/3	2/6	2/9	3/4	8/6	1/10/9	10/9	..	0 10 11	

EXHIBIT No. 3.

WAGES PAID IN VARIOUS TRADES IN NEW SOUTH WALES.
(Supplied by the Department of Labour and Industry, New South Wales.)

I.—Persons engaged in treating Raw Material, the Product of Pastoral Pursuits.			II.—Persons engaged in Trades connected with Food and Drink, or the Preparation thereof—continued.		
	From.	To.		From.	To.
	£ s. d.	£ s. d.		£ s. d.	£ s. d.
Boiling down—			Condiments—		
Foremen	2 0 0	3 10 0	Foremen	2 10 0	4 0 0
Offal- and bone-men	1 5 0	2 5 0	Mill-hands and journeymen	1 10 0	3 0 0
Bone-dust makers	1 10 0	2 0 0	Packers	1 0 0	2 5 0
Tallowmen	1 15 0	2 0 0	" boys	0 4 0	0 8 0
Oil- and grease-makers	1 10 0	3 0 0	Bottle-washers, boys	0 6 0	0 10 0
Glue-makers	1 5 0	2 10 0	General hands, girls and women	0 6 0	0 14 0
Tanneries—			Confectionery—		
Foremen	2 10 0	4 10 0	Foremen	3 0 0	4 0 0
Fleshers	1 10 0	2 5 0	Sugar-boilers and pan-men	1 0 0	2 7 0
Curriers	1 10 0	2 15 0	" improvers	0 10 0	1 10 0
Picklers	1 10 0	2 5 0	" boys	0 7 0	0 11 0
Beamsmen	1 10 0	2 15 0	Packers	1 0 0	2 18 6
Rollermen	1 10 0	2 10 0	" boys	0 6 0	0 15 0
Limemen	1 10 0	2 5 0	General confectioners	1 10 0	3 0 0
Yardmen	1 0 0	2 0 0	Assistants and improvers	0 7 0	1 10 0
Wool-washing—			Storemen	1 10 0	2 0 0
Foremen	2 10 0	5 0 0	Forewomen	0 17 6	1 7 6
Wool-sorters	1 10 0	2 10 0	Confectioners	0 15 0	1 10 0
Wool pullers	1 10 0	2 10 0	" assistants, females	0 7 0	0 12 0
Wool-washers	1 10 0	2 15 0	Packers and wrappers,	0 5 0	0 15 0
Wool-packers	1 15 0	3 0 0	Flour—		
Wool-driers	1 10 0	2 5 0	Foremen	3 0 0	6 0 0
Wool-soakers	1 10 0	2 5 0	Millers	1 10 0	4 10 0
Skinmen	1 5 0	2 5 0	" juniors	0 15 0	2 5 0
Sparers and drivers	1 5 0	2 5 0	Samplers	2 0 0	2 5 0
II.—Persons engaged in Trades connected with Food and Drink, or the Preparation thereof.			Sleeveners	1 16 0	2 0 0
Aerated waters—			Stackers	1 16 0	2 0 0
Foremen	2 0 0	6 0 0	Smutters and oilmen	1 16 0	2 0 0
Makers	2 0 0	4 0 0	Packers	1 10 0	2 0 0
Packers	1 7 6	2 5 0	" boys	0 16 0	1 5 0
Bottlers	1 0 0	2 10 0	Purifier-men	1 10 0	2 0 0
Washers	0 15 0	1 15 0	Mixers	1 5 0	2 0 0
Wirers and corkers	0 15 0	1 15 0	General hands, yardmen, &c.	1 0 0	1 16 0
Labellers	0 6 0	1 0 0	Boys	0 10 0	0 15 0
Carters	1 5 0	2 10 0	Ice and refrigerating—		
Cart-boys	0 5 0	0 15 0	Foremen	2 5 0	5 0 0
General hands—			Journymen	2 0 0	3 0 0
Males	0 17 6	2 0 0	Boys	0 10 0	0 18 0
Females	0 12 0	0 15 0	Engineers	2 5 0	4 0 0
Boys	0 5 0	0 15 0	Jam- and fruit-canning—		
Bread, biscuits, and pastry—			Foremen	2 0 0	4 10 0
Foremen	2 10 0	4 0 0	Jam-boilers	1 0 0	2 10 0
Bakers (bread)	1 7 6	3 2 6	Tinsmiths and solderers	1 5 0	2 8 0
" assistants	0 15 0	1 15 0	Tinsmiths' boys	0 5 0	0 15 0
" apprentices	0 7 6	1 5 0	Labellers	0 5 0	0 15 0
Jobbers	1/3 to 1/6 per hour.		Packers	0 10 0	1 10 0
Biscuit-bakers	1 5 0	3 0 0	Case-makers	1 5 0	2 0 0
Brakesmen	0 18 0	2 0 0	Engineers	1 12 6	2 5 0
General hands	0 10 0	2 0 0	Boys	0 6 0	0 12 0
Machine hands	0 15 0	1 5 0	Fruit-preparers	0 6 0	0 12 0
" boys	0 7 0	0 10 0	Packers, females	0 5 0	0 16 0
Pastrycooks	1 0 0	3 5 0	Labellers	0 5 0	0 12 6
" apprentices	0 5 0	1 0 0	Meat-preserving and small-goods—		
Packers, males	0 8 0	0 13 0	Foremen	3 0 0	6 0 0
Carters	1 5 0	2 10 0	Preserver and extract-maker	2 10 0	3 10 0
Forewomen	0 15 0	1 0 0	Tallow-maker	2 0 0	2 15 0
Packers, females	0 6 0	0 15 0	Salter	2 0 0	2 15 0
Labelling and cleaning tins	0 7 0	0 12 0	Slaughtermen	2 0 0	3 0 0
Breweries—			" boys	1 0 0	1 10 0
Foremen	2 10 0	5 0 0	Boners	1 0 0	2 10 0
Topmen	1 10 0	2 10 0	Fillers	1 0 0	1 15 0
Cellarmen	1 10 0	2 10 0	Labourers	1 0 0	2 0 0
Cask-washers	1 0 0	2 10 0	" boys	0 9 0	0 18 0
General hands	1 0 0	2 10 0	Tinsmiths	1 2 6	3 0 0
Bottlers	1 0 0	2 0 0	" boys	0 10 0	0 16 0
Coopers	1 15 0	3 5 0	Coopers	2 0 0	2 14 0
" boys	0 10 0	1 0 0	Small-goods men	1 10 0	2 10 0
Packers	1 0 0	2 10 0	Oatmeal, self-raising flour, and baking-powder—		
Storemen	1 1 0	2 15 0	Foremen	2 5 0	3 5 0
Draymen	1 12 6	2 15 0	Mixers and packers	1 0 0	2 0 0
Boys	0 7 6	0 18 0	Boys	0 7 0	0 10 0
Coffee, cocoa, rice, spices, &c.—			Forewomen	1 0 0	2 0 0
Foremen	2 10 0	4 10 0	Packers, weighers, and labellers,		
Millers	1 10 0	3 5 0	females	0 7 0	1 3 0
Coffee and cocoa hands	1 17 6	3 0 0	Girls	0 7 0	0 10 0
Jelly-makers	1 17 6	3 0 0	Paper-bag makers, females	0 10 0	0 16 0
Boys	0 6 0	0 18 0	Sugar-mills—		
Packers	0 15 0	2 10 0	Foreman mechanics	3 6 0	3 12 0
" boys	0 8 0	0 15 0	Engineers and fitters	3 0 0	3 6 0
Labellers	0 12 0	1 10 0	Mechanics	2 8 0	2 17 0
Storemen	2 0 0	3 0 0	Tinsmiths	1 10 0	2 10 0
Forewomen	0 15 0	1 0 0	Mechanics' apprentices	0 5 0	1 10 0
Packers, females	0 5 0	0 15 0	Pan-boilers	2 5 0	4 0 0
			" apprentices	0 5 0	1 10 0

EXHIBIT No. 3—continued.

WAGES PAID IN VARIOUS TRADES IN NEW SOUTH WALES—continued.

II.—Persons engaged in Trades connected with Food and Drink, or the Preparation thereof—continued.		III.—Persons engaged in the Manufacture of Clothing and Textile Fabrics—continued.	
	From. £ s. d.	To. £ s. d.	
Sugar-mills—continued.			Clothing-factories (slops)—continued.
Foreman bag-maker .. ..	.. ..	3 0 0	Coat-finishers, females
Bag-sewers, boys	0 10 0	0 19 0	Vest machinists, "
Sack-repairers	1 15 0	2 10 0	" finishers, "
Labourers	2 2 0	2 8 0	Apprentices
Tea packing and blending—			Clothing-factories (order tailoring)—
Foremen	2 5 0	3 10 0	Foremen
Blenders	1 7 6	3 12 0	Cutters, males
Packers	0 10 0	2 10 0	Coat hands, "
Labellers	0 5 0	0 15 0	" improvers, males
Case-makers	1 16 0	2 5 0	" apprentices, "
Forewomen	1 0 0	2 0 0	Vest-makers, males
Packers, females	0 5 0	1 0 0	Trousers-makers, males
Labellers	0 5 0	0 15 0	Pressers, males
Bag-makers and blockers	0 7 0	0 12 0	Trimmers, "
Vinegar-works—			Coat hands, females
Manufacturers	2 0 0	3 0 0	" improvers, females
Bottlers and labellers	0 10 0	1 10 0	" apprentices, "
III.—Persons engaged in the Manufacture of Clothing and Textile Fabrics.			Vest hands, "
Boots and shoes—			" improvers, "
Foremen	2 0 0	4 5 0	" apprentices, "
Machine operators, males	1 12 6	3 0 0	Trousers-makers
" improvers and assistants,			" improvers
males	0 5 0	1 10 0	" apprentices
" learners, males	0 5 0	0 7 6	Machinists,
Clickers, males	1 5 0	3 0 0	" apprentices, "
" improvers and assistants,			Shirt-makers,
males	0 7 0	1 2 6	" improvers and appren-
" apprentices, males	0 9 6	0 17 6	tices
Makers, males	1 0 0	3 10 0	Embroideresses
" improvers, males	0 5 0	1 5 0	" improvers
" apprentices, "	0 5 0	0 15 0	" apprentices
Finishers, males	1 0 0	2 10 0	Dressmaking and millinery—
" improvers and assistants,			Forewomen
males	0 10 0	0 15 0	Cutters and fitters
" apprentices, males	0 11 0	0 15 0	Bodice hands
Rough-stuff cutters,	0 17 6	2 10 0	" improvers
" improvers, males	0 10 0	1 0 0	" apprentices†
Trimmers, males	1 10 0	2 10 0	Skirt hands
Pressmen,	1 5 0	2 10 0	" improvers
Heelers and sluggers, males	1 0 0	2 12 6	" apprentices†
Lasters, males	1 5 0	2 0 0	Sleeve hands
Edge-setters, featherers, and			General dressmakers
breasters, males	0 16 0	2 0 0	Machinists
Channel-closers, males	0 14 0	2 0 0	Head mantle-makers
Skivers,	1 0 0	2 0 0	Mantle-makers
Eyeletters,	0 17 6	1 5 0	" improvers
Brushers, sockers, dressers, scourers,			Blouse-maker
&c., males	0 14 0	1 10 0	Milliners
Repairers, males	1 15 0	2 14 0	" improvers
Sole-sewers, "	1 10 0	2 15 0	" apprentices*
Packers, "	0 15 0	2 5 0	Furriers—
Boys	0 4 0	0 12 0	Furriers
Forewomen	1 2 6	2 5 0	Boys
Machinists, females	0 10 0	1 10 0	Fur-sewers
" apprentices, females	0 4 0	0 12 0	Hats and caps—
Fitters, females	0 7 6	1 3 6	Journeymen, males
" apprentices, females	0 4 0	0 7 6	Assistants, "
Tiers-off and bench hands, females	0 3 0	0 9 0	Apprentices, "
Trimmers, sockers, &c.,	0 5 0	0 15 0	Foremen
Clothing-factories (slops)—			Forewomen
Foremen	2 10 0	6 0 0	Machinists, females
Cutters, males	1 5 0	5 0 0	Finishers, "
" assistants and improvers,			Trimmers, "
males	0 7 6	1 10 0	Improvers, &c., "
Pressers, males	1 15 0	3 10 0	Apprentices, "
" apprentices and assistants,			Shirt-making, females—
males	0 6 0	1 10 0	Shirt cutter
Seam-pressers, males	0 5 0	1 10 0	Shirt-makers
Trimmers, "	0 10 0	3 0 0	Apprentices
Examiners,	0 14 0	2 17 6	Machinists
Folders and brushers, males	1 0 0	3 0 0	Finishers
Engineers and mechanics, &c., males	1 2 6	3 0 0	Buttonhole-workers
Errand-boys and messengers,	0 3 6	0 17 6	Waterproof clothing—
Machinists, males	2 0 0	3 10 0	Forewomen
Coat hands,	1 10 0	3 10 0	Machinists
" females	0 7 6	1 15 0	" improvers
Trousers hands, "	0 10 0	1 7 6	Finishers
Vest hands, males	1 1 0	2 4 0	" improvers
" females	0 5 0	1 7 6	Table hands
Apprentices	0 2 6	0 10 0	" improvers
Forewomen	1 10 0	3 0 0	White work and ladies' and children's clothing factory—
Slop-trousers machinists, females	0 6 0	1 4 0	Forewomen, designers, and cutter
" finishers, "	0 3 0	1 0 0	Machinists, females
Button-hole machinists,	0 10 0	1 5 0	" improvers, females
" finishers, "	0 10 0	1 2 6	" apprentices, "
Coat machinists,	0 10 0	1 5 0	Finishers, females
			Learners

* Receive no pay for the first six or twelve months.

† Unpaid for the first three or six months.

EXHIBIT No. 3—continued.

WAGES PAID IN VARIOUS TRADES IN NEW SOUTH WALES—continued.

III.—Persons engaged in the Manufacture of Clothing and Textile Fabrics—continued.

	From.	To.
	£ s. d.	£ s. d.
White work and ladies' and children's clothing factory—continued.		
Pressers, females ..	0 7 6	1 0 0
Sorters ..	0 6 6	1 0 0
Cutters, males ..	1 0 0	2 0 0
Pressers, ..	0 10 0	2 5 0
Woollen-mills—		
Foremen ..	4 0 0	5 0 0
Carders ..	2 0 0	3 0 0
Wool-sorters ..	2 0 0	2 5 0
Finishers ..	2 0 0	2 5 0
Dyers ..	2 0 0	3 0 0
assistants ..	0 15 0	1 10 0
Spinners ..	1 2 6	2 15 0
Warpers ..	1 0 0	1 10 0
Wool-scourers ..	1 15 0	2 0 0
Pressmen ..	1 10 0	2 0 0
Weavers ..	1 16 0	2 10 0
Twisters ..	0 10 0	0 15 0
Boys ..	0 4 6	0 10 0
Weavers, females ..	0 18 0	1 11 0
Finishers, ..	0 8 0	0 12 0
Burlers, ..	0 12 0	0 17 6
Girls ..	0 8 0	0 12 0

IV.—Persons engaged in connection with Building Materials, &c.

Asphalting and tar-paving—		
Asphalt-makers ..	1 15 0	2 8 0
Wood-block makers ..	1 5 0	2 2 0
Brickworks—		
Foremen ..	2 8 0	5 0 0
Clay-diggers and pitmen ..	1 16 0	2 16 0
Panmen and grinders ..	1 15 0	2 10 0
Setters ..	1 16 0	2 15 0
Brickmakers and moulders ..	1 16 0	2 15 0
Pressers ..	1 15 0	2 15 0
Burners ..	2 0 0	3 10 0
Loaders-out ..	1 16 0	2 10 0
Stackers ..	1 16 0	2 8 0
Carters ..	1 10 0	2 5 0
Building—		
Bricklayers ..	2 14 0	3 0 0
Carpenters ..	2 8 0	3 0 0
Painters ..	2 8 0	2 14 0
Plasterers ..	2 8 0	2 14 0
Plumbers ..	2 14 0	3 3 0
Stonemasons ..	3 0 0	3 6 0
Cement—		
Millers ..	3 0 0	3 10 0
Burners ..	2 0 0	3 0 0
Kiln-fillers ..	1 16 0	2 5 0
Labourers ..	1 10 0	2 2 0
Joinery, wood-turning, and carving—		
Foremen ..	3 0 0	4 0 0
Joiners ..	2 0 0	3 6 0
Turners ..	1 16 0	3 0 0
Carvers ..	1 18 0	3 3 0
Apprentices ..	0 7 0	0 15 0
Lime-works—		
Foremen ..	3 0 0	3 10 0
Quarrymen ..	1 16 0	2 5 0
Crane-drivers ..	1 16 0	2 0 0
Lime-drawers ..	2 0 0	2 8 0
Burners ..	2 0 0	2 8 0
Marble and monumental masons—		
Foremen ..	2 10 0	3 0 0
Letter-cutters and carvers ..	2 0 0	3 0 0
Marble and stone masons ..	1 10 0	3 0 0
improvers ..	0 15 0	1 10 0
Polishers ..	1 10 0	2 5 0
improvers ..	0 12 0	1 0 0
Fixers ..	1 5 0	2 5 0
Boys ..	0 5 0	0 15 0
Modelling, cement and plaster decorations—		
Modellers ..	2 0 0	3 0 0
Pressers ..	1 10 0	2 5 0
Casters ..	0 10 0	1 10 0
Paint and varnish—		
Manufacturers ..	2 10 0	5 0 0
Labourers ..	0 16 0	1 15 0
Potteries—		
Foremen ..	2 8 0	4 0 0
Throwers ..	2 0 0	3 0 0
Pipe-makers ..	2 0 0	3 0 0
Burners ..	2 0 0	3 0 0
Clay-getters ..	1 10 0	2 8 0
Quarrying and stone-crushing—		
Foremen ..	2 0 0	3 0 0

IV.—Persons engaged in connection with Building Materials, &c. (continued).

	From.	To.
	£ s. d.	£ s. d.
Quarrying and stone-crushing—contd.		
Quarrymen ..	2 0 0	2 8 0
Masons ..	2 0 0	3 0 0
Stone-breakers ..	1 10 0	2 2 0
Stone-feeders ..	1 16 0	2 2 0
Sawmills—		
Foremen ..	2 8 0	4 10 0
Saw-sharpeners ..	1 10 0	2 8 0
Benchers ..	1 10 0	2 10 0
assistants ..	1 0 0	2 0 0
Sawyers ..	1 10 0	2 14 0
Sawyers' assistants ..	0 12 6	1 10 0
Measurers ..	1 16 0	2 5 0
Tailers-out ..	0 15 0	1 0 0
Labourers ..	1 10 0	2 2 0
Machinists ..	2 0 0	3 3 0
Machinists' Assistants ..	0 10 0	1 10 0

V.—Persons engaged in Engineering, Metal-works, &c.

Foremen ..	3 0 0	5 0 0
Engineers ..	1 14 0	3 5 0
Machinists ..	1 18 0	3 0 0
Turners and fitters ..	2 5 0	5 0 0
Blacksmiths ..	1 10 0	3 0 0
Strikers ..	1 5 0	2 0 0
Ironfounders ..	1 15 0	2 10 0
Iron-moulders ..	1 16 0	3 10 0
assistants ..	0 5 0	0 18 0
Iron-dressers ..	1 12 0	2 8 0
Furnacemen ..	1 10 0	2 6 0
Pattern-makers ..	1 12 0	2 14 0
Boiler-makers ..	1 16 0	3 0 0
Coppersmiths ..	2 10 0	3 3 0
Brass-moulders ..	1 10 0	3 0 0
Brass-finishers ..	1 16 0	3 3 0
Tinsmiths ..	1 10 0	3 0 0
assistants ..	0 6 0	1 5 0
Smelters ..	2 10 0	3 0 0
Plumbers and gasfitters ..	1 10 0	3 0 0
Plumbers' boys ..	0 5 0	0 15 0
Meter-makers ..	1 19 0	3 3 0
Painters ..	1 10 0	3 0 0
Stove-fitters ..	1 5 0	3 0 0
Galvanisers ..	1 5 0	3 10 0
Wireworkers ..	1 6 0	3 3 0
Japanners ..	1 3 0	2 10 0
Engine-drivers and firemen ..	1 10 0	3 0 0
Bricklayers ..	2 2 0	3 0 0
Carpenters ..	1 10 0	3 0 0
Labourers ..	1 10 0	2 2 0
Carters ..	1 10 0	2 9 0
Storekeepers ..	1 10 0	2 10 0
Drillers ..	0 8 0	1 16 0
Trunk-makers ..	1 5 0	2 5 0
Canister-makers ..	1 10 0	3 0 0
Lead-millers ..	..	3 6 0
Apprentices ..	0 4 0	1 10 0
Boys ..	0 5 0	0 15 0

VI.—Persons engaged in Ship-building, Repairing, &c.

Ship-building, docks, &c.—		
Foremen ..	3 0 0	7 0 0
Shipwrights ..	2 8 0	3 12 0
Boiler-makers and riveters ..	2 10 0	3 8 0
Pattern-makers ..	2 5 0	3 0 0
Bolt-screwers ..	2 0 0	2 8 0
Ship joiners ..	2 8 0	3 0 0
Marine opticians ..	2 0 0	3 0 0
Ships' compasses, sextants, and barometer repairers ..	2 0 0	3 0 0
Sails and tarpaulins—		
Sailmakers ..	1 5 0	3 0 0
Tent- and tarpaulin-makers ..	0 15 0	2 7 0
Apprentices and boys ..	0 5 0	0 18 0
Forewomen ..	1 0 0	1 10 0
Women and girls ..	6 0 0	0 19 0

VII.—Persons engaged in the Manufacture of Furniture, Bedding, &c.

Foremen ..	2 10 0	4 10 0
Machinists ..	1 7 6	2 14 0
apprentices ..	0 10 0	0 15 0
Cabinetmakers ..	1 10 0	3 0 0
apprentices ..	0 2 6	1 6 0
Polishers ..	1 10 0	3 0 0
apprentices ..	0 7 6	1 7 6
Chair-makers ..	1 10 0	2 16 0
Chair-fitters ..	1 5 0	2 12 0
Frame-makers ..	1 10 0	2 5 0
Wood-carvers ..	2 0 0	3 0 0

EXHIBIT No. 3—continued.

WAGES PAID IN VARIOUS TRADES IN NEW SOUTH WALES—continued.

VII.—Persons engaged in the Manufacture of Furniture, Bedding, &c.—continued.

	From.		To.	
	£	s. d.	£	s. d.
Wood-turners	1	16 0	2	10 0
Upholsterers	2	0 0	3	5 0
" apprentices	0	5 0	1	10 0
Carpet hands	1	15 0	3	5 0
Drapery-cutters	2	2 0	4	5 0
Forewomen	1	5 0	1	15 0
Upholsteresses	0	12 6	2	0 0
Girls	0	5 0	0	12 0
Drapery hands, females	0	16 0	2	0 0
Machinists	0	10 0	1	2 6
Seamstresses	0	9 0	1	2 6
Carpet-sewers, females	0	10 0	1	5 0
Girls	0	5 0	0	10 0
Window-blind makers and fixers	1	10 0	2	10 0
Boys	0	5 0	0	17 6
Venetian-blind makers	1	10 0	2	10 0
" painters	1	5 0	2	5 0
Revolving-shutter makers	1	10 0	2	14 0
Mattress-makers	1	10 0	2	18 0
Picture-frame makers	1	15 0	4	0 0
Mount-cutters	1	15 0	2	18 0
Apprentices	0	6 0	1	5 0
Fitters	1	0 0	1	10 0
Girls	0	5 0	1	0 0
Hair and flock hands—				
Packers	1	10 0	2	14 0
Machinists	0	15 0	1	16 0
Rag-sorters, females	0	17 0	1	0 0
Cloth-cutters	0	10 0	0	12 0
Billiard-table makers	2	0 0	3	0 0
Apprentices	0	7 6	0	12 0
Ivory-turners	2	0 0	3	0 0
Chinese cabinet-makers	0	15 0	2	10 0
" polishers	0	14 0	1	15 0
" carvers	1	0 0	2	0 0
" wood-turners	0	14 0	1	15 0
" sandpaperers	0	10 0	1	10 0

VIII.—Persons engaged in Printing, Lithographing Establishments, &c.

Readers	2	0 0	3	0 0
Readers' assistants	0	15 0	2	0 0
Compositors, jobbing offices—				
Journeymen	1	5 0	3	10 0
Improvers	0	17 6	2	0 0
Apprentices	0	5 0	1	0 0
Compositors, newspaper offices—				
Foremen	3	0 0	7	0 0
Machine compositors	4	d. to 5d.	} per 1,000 ens.	
Compositors	9	d. to 1s. 1d.		
Linotype operators	3	d.		
Female type-distributors	1	d. with allowances.		
Machinists' boys	0	6 6	0	15 0
Apprentices	0	10 0	1	5 0
Letterpress machinists—				
Foremen	2	10 0	6	0 0
Journeymen	1	10 0	4	0 0
Improvers	0	14 0	1	10 0
Apprentices	0	8 0	0	15 0
Stereotypers—				
Foremen	3	10 0	6	0 0
Journeymen	1	15 0	3	0 0
Electrotypers—				
Journeymen	1	15 0	3	15 0
Engravers	2	0 0	4	0 0
Lithographers—				
Journeymen	2	0 0	4	0 0
Improvers	1	0 0	1	10 0
Apprentices	0	6 0	1	0 0
Stone polishers and cleaners	0	15 0	1	12 6
Artists, illuminators, and photo-graphers	1	15 0	6	10 0
Artists' apprentices	0	7 6	0	17 6
Cutters	2	12 0	2	16 0
Varnishers, transferrers, &c.	2	0 0	3	0 0
Feed- and fly-boys	0	5 0	1	0 0
Bookbinders—				
Foremen	2	0 0	5	0 0
Rulers	1	0 0	4	0 0
Binders	1	0 0	4	0 0
Finishers	1	0 0	3	10 0
Forewomen	0	17 6	1	10 0
Book-sewers, female	0	10 0	1	10 0
Book-folders	0	5 0	1	5 0
Embossers	0	8 0	1	0 0
Numberers, pagers, wire-stitchers, packers, &c., female	0	5 0	1	0 0

VII.—Persons engaged in Printing, Lithographing Establishments, &c.—continued.

	From.		To.	
	£	s. d.	£	s. d.
Bookbinders—continued.				
Apprentices, male	0	7 0	1	0 0
" female	0	2 6	0	7 6
Boys, messengers, &c.	0	5 0	0	13 6
Paper boxes and bags—				
Foremen	2	10 0	2	15 0
Forewomen	0	17 6	1	10 0
Cutters	0	17 0	2	0 0
Boys	0	7 6	0	14 0
Girls (box- and bag-makers)	0	5 0	1	10 0
Apprentices	0	2 6	0	4 0
General hands	1	2 6	2	5 0

IX.—Persons engaged in the Manufacture of Vehicles, Saddlery and Harness, and Bicycles.

Coachbuilding—				
Foremen	2	10 0	4	0 0
Body-makers	1	15 0	3	0 0
Wheelwrights	1	15 0	3	0 0
Blacksmiths	1	10 0	3	0 0
Strikers	0	10 0	1	10 0
Vicemen	1	5 0	2	8 0
Trimmers	1	15 0	3	0 0
Painters	1	0 0	3	0 0
Nave-turners	1	16 0	2	5 0
Spoke-turners	1	16 0	2	5 0
Improvers	0	15 0	1	10 0
Apprentices	0	5 0	1	0 0
Saddlery and harness—				
Foremen	2	10 0	4	0 0
Saddle-makers	1	10 0	2	10 0
Harness-makers	1	15 0	3	0 0
Collar-makers	1	1 0	3	0 0
Strap-hands	1	5 0	2	15 0
Machinists	1	15 0	2	0 0
Female hands	0	7 6	1	15 0
Improvers	0	10 0	1	2 6
Apprentices	0	5 0	0	17 6
Making and repairing bicycles—				
Foremen	2	10 0	3	0 0
Turners	1	10 0	2	15 0
Fitters	1	10 0	2	10 0
Tire- and wheel-makers	1	5 0	2	7 6
Boys	0	6 0	0	10 0

X.—Persons engaged in the Production of Light, Fuel, Heat, &c.

Electric-light works—				
Foremen	3	0 0	5	0 0
Engineers	2	10 0	4	10 0
Electricians	2	0 0	3	10 0
Installing workmen	2	0 0	2	10 0
Gasworks—				
Foremen	3	10 0	6	0 0
Stokers and firmen	2	2 0	2	18 0
Fitters	2	8 0	3	6 0
Plumbers	2	5 0	2	15 0
Main-layers	1	16 0	2	15 0
Service-layers	1	16 0	2	15 0
Lamp-lighters	1	12 0	1	12 0
Fuel—				
Sawyers and yardmen	1	10 0	3	0 0
Carters	1	10 0	2	5 0
Boys	0	5 0	1	0 0

XI.—Persons engaged in Miscellaneous Trades.

Basket-making, wicker-work, mats, and making—				
Basket-makers	1	0 0	2	0 0
Apprentices and boys	0	5 0	0	15 0
Mat- and matting-makers	1	0 0	1	10 0
Boys	0	7 0	0	12 0
Box and packing-case making—				
Foremen	2	10 0	3	0 0
Box-makers	1	10 0	2	10 0
Sawyers	1	10 0	2	2 0
Machinists	1	10 0	2	8 0
Apprentices	0	7 6	0	10 0
Boys	0	5 0	0	13 0
Broom-making—				
Broom-makers	1	10 0	2	5 0
Assistants and apprentices	0	5 0	1	0 0
Broom-sewers	1	15 3	2	0 0
Sorters	0	5 0	1	8 0
Brush-making—				
Journeymen	1	5 0	3	0 0
Female hands	0	4 0	0	15 0
Boys and apprentices	0	9 0	0	11 0

EXHIBIT No. 3—continued.

WAGES PAID IN VARIOUS TRADES IN NEW SOUTH WALES—continued.

XI.—Persons engaged in Miscellaneous Trades—continued

	From.	To.
	£ s. d.	£ s. d.
Chemicals, drugs, patent medicines, &c.—		
Foremen	2 6 0	4 0 0
Manufacturers	1 0 0	2 7 6
Chemists	1 0 0	2 10 0
" improvers	0 7 6	1 5 0
Lead-burners and platinum-men	1 2 0	2 14 0
Acid-makers	1 10 0	2 5 0
Bottle-washers	0 12 6	1 0 0
Packers	0 14 0	2 5 0
Forewomen	0 15 0	2 10 0
Bottlers and labellers, female	0 4 0	0 15 0
Packers, female	0 6 0	1 0 0
Manufacturing-hands	0 6 0	0 10 0
Cooperage—		
Coopers	1 15 0	3 0 0
Apprentices	0 8 0	1 2 6
Machinists	0 16 0	2 10 0
Dye-works—		
Dyers	1 7 6	2 10 0
Pressers, men	1 10 0	2 5 0
" women	1 1 0	1 4 0
Feather- and glove-cleaners, &c.	0 2 6	1 4 0
Explosives—		
Mixers	1 5 0	2 5 0
Cartridge-fillers	1 0 0	2 0 0
Packers	1 0 0	1 15 0
Labourers	1 10 0	1 18 0
Florists—		
Florists and shop assistants, females	0 5 0	1 2 6
Glassworks (bottles, &c.)—		
Foremen	3 0 0	4 0 0
Glass-blowers	1 10 0	3 17 0
Packers	0 7 0	1 7 6
Finishers	1 10 0	3 17 0
Apprentices	0 10 0	1 15 0
Boys	0 6 0	0 15 0
Glassworks (ornamental)—		
Cutters and silverers	2 0 0	3 0 0
Bevellers	1 10 0	3 0 0
Glaziers	1 10 0	2 10 0
Carters	1 10 0	2 0 0
Stencil-cutters, boys and girls	0 5 0	0 8 0
Boys	0 5 0	1 0 0
Hair-dressing and hair-working—		
Hair-dressers and wig-makers	1 0 0	3 0 0
Hair-frame makers	0 5 0	1 10 0
" females	0 5 0	1 1 0
Laundries (steam and hand)—		
Washhouse-hands, males	0 15 0	2 0 0
Packers, males	0 15 0	2 2 0
Boys	0 7 0	0 10 0
Carters	0 10 0	2 5 0
Washers, females	0 10 0	1 0 0
Sorters and packers, females	0 8 0	1 5 0
Folders	0 5 0	0 15 0
Starchers	0 6 0	1 2 0
Machine-ironers	0 9 0	1 0 0
Callender hands	0 6 0	0 10 0
*Shirt- and collar-ironers, females	0 18 0	2 0 0
*Starch-ironers	0 12 0	1 6 0
*Plain ironers	0 12 0	0 18 0
Hangers-out	0 10 0	0 13 0
Paper-making—		
Sorters and classers	1 0 0	2 0 0
Beater-men	1 5 0	2 10 0
Rag-boilers and cutter-men	0 15 0	1 18 0
Machinemen	0 12 6	2 10 0
Labourers	0 18 0	1 16 0
Paper-sorters, female	0 10 0	0 15 0
Perambulator-making—		
Carpenter	1 15 0	2 2 0
Blacksmiths	1 1 0	2 2 0
Fitters	1 0 0	2 5 0
Painters	0 10 0	1 0 0
Upholsterers	1 0 0	1 10 0
Boys	0 6 0	0 10 0
Machinists, female	0 10 0	1 0 0
Photography—		
Operators	2 0 0	4 10 0
Printers	1 0 0	2 10 0
" assistants	0 7 6	1 0 0

XI.—Persons engaged in Miscellaneous Trades—continued.

	From.	To.
	£ s. d.	£ s. d.
Photography—continued.		
Retouchers	1 10 0	3 5 0
Zinc-etchers	1 10 0	2 15 0
Enlargers	2 0 0	3 0 0
Framers	0 17 6	2 5 0
Retouchers, females	0 12 6	1 15 0
Printers	0 5 0	1 5 0
Spotters	0 5 0	1 12 6
Sorters	0 5 0	0 7 6
Portmanteaus and bags—		
Bag-makers	1 10 0	3 0 0
" "	0 16 0	1 10 0
Improvers	0 7 6	1 2 6
Trunk- and portmanteau-makers	1 10 0	3 0 0
Blacksmiths and jappers	0 15 6	1 15 0
Machinists, females	0 6 0	1 4 0
Rope-works—		
Foremen	4 0 0	4 10 0
Ropelayers	2 2 0	2 8 0
Reelers	1 10 0	2 0 0
Hand spinners	1 10 0	2 5 0
Machinists	0 18 0	1 10 0
Jenny-boys	0 6 0	0 15 0
Rubber-works—		
Journeymen	2 0 0	3 0 0
Boys	0 10 0	1 0 0
Sewing-machines, pianos, &c.—		
Foremen	3 10 0	4 0 0
Tuners	2 0 0	5 0 0
Polishers	1 0 0	3 12 0
Repairers	1 2 6	4 0 0
Apprentices and boys	0 5 0	1 0 0
Stringers and spinners	0 10 0	1 5 0
Packers and fitters-up	1 10 0	2 8 0
Soap- and candle-works—		
Stearine- and candle-makers	1 4 0	2 10 0
Moulders	0 15 0	1 10 0
Soap-boilers	1 16 0	3 0 0
Assistants	0 5 0	1 10 0
Packers	0 10 0	1 10 0
Boys	0 5 0	0 15 0
Packers, females	0 6 0	1 0 0
Tobacco and cigarettes—		
Foremen	2 15 0	5 0 0
Cutting-room hands	1 0 0	2 10 0
General hands	1 0 0	2 5 0
Box-makers	1 5 0	3 0 0
Stemmers	0 12 0	1 5 0
Twisters	1 2 0	3 5 0
Pressers	0 12 0	2 10 0
Plug-coverers	0 15 0	2 5 0
Finishers	1 10 0	2 15 0
Cigarette-machinists	1 15 0	3 10 0
Boys—general work	0 5 0	0 16 0
Forewomen	0 15 0	1 10 0
Stemmers, females	0 10 0	1 0 0
Coverers,	0 15 0	1 13 0
Cutting-room hands, females	0 10 0	1 0 0
Cigarette-making—		
Machine-hands, females	0 7 0	0 14 0
Cigarette-makers,	0 16 0	1 4 0
Mouth-piece makers	0 12 6	0 16 6
Filling and closing, &c., females	0 5 0	0 8 0
Packers, females	0 7 0	0 17 0
Umbrella-making—		
Males	0 12 0	2 5 0
Females	0 10 0	1 5 0
Watchmaking and jewellery, &c.—		
Watchmakers	1 10 0	5 0 0
" apprentices	0 5 0	0 10 0
Jewellers	1 10 0	6 0 0
" apprentices .. .. .	.. .. .	0 10 0
Instrument-makers	1 2 6	3 0 0
Opticians	1 10 0	2 10 0
Polishers	1 5 0	2 15 0
Gem-cutters	2 0 0	3 0 0
Engravers	2 0 0	5 0 0
Packers	0 17 6	1 7 6
Electroplaters	1 10 0	4 0 0
Burnishers, females	1 0 0	1 10 0
Boys	0 5 0	0 17 6

* Shirt- and starch-ironers are paid by piecework; other branches by daily or weekly wage.

EXHIBIT No. 4.

SIR,— Trades Hall, Goulburn and Dixon Streets, Sydney, 18th April, 1901.

I have the honour to forward to you, as requested by Mr. Miller, the union rate of wages paid in the various trades, and the number of hours worked per week by each trade in the Sydney district.

The only statutes in force for the protection of the workers are the Factories Act, limited in its operation to certain trades or callings, and the Early Closing Bill, most useful to shop-assistants. Those are the most important at present.

Should there be any further information required on the state of trade-unions, I shall be most happy to supply it, if possible.

I have, &c.,

GEO. RUTTER,

Secretary, Trades Hall Association.

The Chairman, New Zealand Federation Royal Commission.

UNION RATE OF WAGES, AND NUMBER OF HOURS WORKED PER WEEK IN THE VARIOUS TRADES.

Iron Trades.

Boilermakers ... ..	... ..	... ..	10s. to 12s. per day on new work; old work, 8d. per day extra.
Engineers—			
Fitters ... ..	... ..	... ..	10s. (minimum) per day of eight hours.
Turners ... ..	... ..	... ..	10s. " "
Pattern-makers ... ..	... ..	10s. 8d.	" "
Machinists ... ..	... ..	9s. 4d.	" "
Drillers ... ..	... ..	8s. 8d.	" "
Blacksmiths ... ..	... ..	10s. to 12s.	" "
Ironmoulders ... ..	... ..	10s. to 10s. 4d.	" "
Tinsmiths and sheet-iron workers	... ..	9s. to 10s.	" "

All the above trades work forty-eight hours per week. Overtime is paid for at double time for the first two hours, and time and half after. The average is one boy to each four adults permanently employed; and apprentices' wages run from about 6s. per week at the start to £1 5s. to £1 10s. at the end of apprenticeship.

Printing Trades.

Compositors—£2 12s. to £2 16s. per week of forty-eight hours. Piecework, 1s. per thousand "ens," day-work; 1s. 1d. per thousand "ens," night-work.

Linotype operators—3d. per thousand, with all "fat."

Bookbinders and paper-rulers—£2 12s. to £2 16s. per week.

Lithographers—£2 15s. to £3 per week of forty-eight hours.

Apprentices—One boy to every four men permanently employed.

Building Trades.

Stonemasons ... ..	... ..	... ..	11s. per day; forty-four hours per week.
Bricklayers ... ..	... ..	... ..	10s. " forty-eight hours per week.
Carpenters and joiners ... ..	... ..	... ..	10s. " "
Painters ... ..	... ..	... ..	9s. " "
Plumbers and gasfitters ... ..	... ..	10s. to 11s.	" "
Slaters ... ..	... ..	... ..	10s. " "
Plasterers ... ..	... ..	9s. to 10s.	" "
Labourers ... ..	... ..	7s. to 9s.	" "
Steam-crane drivers ... ..	... ..	... ..	10s. " average about fifty-four hours.
Quarrymen ... ..	... ..	... ..	9s. to 11s. " forty-eight hours per week.

Miscellaneous Trades.

Coopers 10s. per day; forty-eight hours per week.

Electricians 9s. to 10s. " "

Saddle- and collar-makers 7s. to 9s. " mostly piecework.

Tailors average from £2 to £3 per week, all piecework.

Pressers average from £2 to £3 per week of forty-eight hours.

Shipwrights—11s. to 12s. per day; forty-eight hours per week.

Coachmakers—8s. to 10s. per day; forty-eight hours per week.

Tobacco-workers (different branches) average from £1 10s. to £3.

Cigar-makers* average from £1 17s. 6d. to £2 per week of forty-eight hours.

Glass-workers—£2 to £2 12s. per week of forty-eight hours.

Furniture Trade.

Cabinetmakers—1s. 1½d. per hour; forty-eight hours per week.

Chair-makers—1s. 1d. per hour; forty-eight hours per week.

French-polishers—1s. per hour; forty-eight hours per week.

Turners—1s. per hour; forty-eight hours per week.

Upholsterers average £2 11s. 6d. per week of forty-eight hours.

Boys average one to four men in better work.

Number of Chinese employed in metropolitan area in furniture-making, 431.

* This trade is very much troubled by boy-labour, and the average cannot be got. Some factories are almost exclusively run with boy- and girl-labour.

EXHIBIT No. 5.
 NUMBER OF PERSONS EMPLOYED IN VARIOUS TRADES IN NEW SOUTH WALES.
 (Supplied by the Department of Labour and Industry, New South Wales.)

Class of Trade.	Under Sixteen.		Over Sixteen and under Eighteen.		Over Eighteen.		Total.		
	Males.	Females.	Males.	Females.	Males.	Females.	Males.	Females.	Total.
Wool-washing and tanning	...	...	...	...	152	...	152	...	152
"	...	...	...	...	218	...	218	...	218
Meat-preserving	20	...	37	...	323	...	380	...	380
"	...	...	4	...	62	6	66	6	72
Flour-mills	...	...	...	...	35	...	35	...	35
"	...	...	...	...	34	...	34	...	34
Condiments	8	8	19	21	55	17	82	46	128
"	...	...	1	3	48	17	49	20	69
Confectionery	15	...	17	5	35	30	67	35	102
"	3	5	11	8	40	39	54	52	106
Jam	11	...	15	27	85	20	111	47	158
"	8	...	55	...	62	...	125	...	125
Boots	42	21	20	42	170	85	232	148	380
"	4	3	6	8	159	39	169	50	219
Clothing	...	39	5	52	62	152	67	243	310
"	1	21	8	81	42	100	51	202	253
Engineering	43	...	89	...	734	...	866	...	866
"	4	...	65	...	1,379	...	1,448	...	1,448
Blacksmithing	3	...	26	...	136	...	165	...	165
"	6	...	20	...	133	...	159	...	159
Iron-foundry	3	...	5	...	93	...	101	...	101
"	...	...	6	...	117	...	123	...	123
Furniture	1	...	7	7	242	28	250	35	285
"	...	...	13	...	69	1	82	1	83
Woollen-mills	8	4	9	1	43	30	60	35	95
Printing, job	6	4	11	7	93	38	110	49	159
"	14	1	20	2	105	20	139	23	162
Paper boxes	3	1	5	18	5	20	13	39	52
"	1	1	2	20	6	20	9	41	50
Tobacco	26	...	36	...	190	...	252	...	252
"	5	1	7	3	63	60	75	64	139
Cigarettes	3	13	...	50	11	63	14	126	140
Sewing - machines and pianos	6	...	10	3	92	7	108	10	118
Rope...	...	...	52	...	72	...	124	...	124
Pottery	13	...	24	10	110	6	147	16	163
"	1	...	2	...	47	...	50	...	50

EXHIBIT No. 6.
NUMBER OF PERSONS EMPLOYED IN VARIOUS TRADES IN VICTORIA.
(Supplied by the Inspector of Factories, Victoria.)

		Age—Male.										Age—Female.										Total Males.		Total Females.	
		13 Years.	14 Years.	15 Years.	16 Years.	17 Years.	18 Years.	19 Years.	20 Years.	21 Years and over.	13 Years.	14 Years.	15 Years.	16 Years.	17 Years.	18 Years.	19 Years.	21 Years.	21 Years and over.	Under 21 Years.	Over 21 Years.	Under 21 Years.	Over 21 Years.		
Engineering	A	7	15	12	10	7	11	269	63	269	
	B	4	9	15	12	12	7	146	59	146	
	C	2	16	23	15	17	10	8	101	91	101	
		..	2	27	47	42	39	29	26	516	212	516	
Boots	A ..	..	..	4	7	8	13	7	7	181	..	..	16	3	8	5	1	21	34	46	131	54	34
	B ..	..	3	5	6	3	5	3	1	69	..	..	6	3	6	5	3	7	26	26	69	35	26
	C ..	..	4	10	10	4	5	8	3	102	..	3	5	10	7	5	5	3	43	44	102	38	43	
		..	7	19	23	15	23	18	11	302	..	3	27	16	21	15	14	31	103	116	302	127	103		
Clothing	A ..	..	..	1	2	..	..	1	..	22	2	8	8	15	7	18	12	13	89	4	22	83	89
	B ..	..	..	..	..	..	..	2	1	34	..	..	..	4	13	13	12	1	112	3	34	43	112
	C ..	..	..	1	3	2	3	3	3	45	..	6	10	17	8	20	21	14	136	15	45	96	136
		..	..	2	5	2	3	6	4	101	2	14	18	36	28	51	45	28	337	22	101	222	337
Furniture	A ..	..	..	1	3	2	1	4	1	39	..	..	..	1	..	2	3	1	10	12	39	7	10
	B ..	..	1	..	..	..	..	..	..	11	..	..	..	..	..	2	..	..	14	1	11	2	14
	C ..	..	2	..	1	..	2	1	..	23	..	..	..	..	..	..	..	..	..	6	23	..	..
		..	3	1	4	2	3	5	1	73	..	..	..	1	2	2	3	1	24	19	73	9	24
Soap and candles	A ..	..	2	10	11	7	4	2	..	174	..	..	..	..	..	..	..	..	..	36	174	..	..
	B ..	..	..	..	..	1	1	..	1	30	..	..	..	..	..	..	..	..	..	3	30	..	..
	C ..	3	5	3	3	3	5	1	1	26	..	..	..	..	..	..	..	..	..	24	26	..	..
		3	7	13	14	11	10	3	2	230	..	..	..	..	..	..	..	..	..	63	230	..	..
Printing	A ..	1	19	11	6	5	2	1	1	43	1	2	14	24	22	17	9	8	35	46	43	97	35		
	B ..	2	14	6	9	1	6	2	4	50	..	..	..	2	3	2	1	1	6	44	50	9	6
	C ..	7	29	30	20	14	8	8	4	190	..	9	11	17	31	28	22	4	144	120	190	122	144		
		10	62	47	35	20	16	11	9	283	1	11	25	43	56	47	32	13	185	210	283	228	185		
Woollen-mills	A ..	3	5	4	5	2	4	2	1	28	2	..	1	3	1	1	2	11	22	26	28	21	22		
	B ..	2	..	3	..	5	3	3	2	31	..	1	2	2	3	1	1	..	28	18	31	10	28		
	C ..	7	11	2	2	1	5	1	6	24	1	1	1	8	9	8	9	3	37	35	24	40	37		
		12	16	9	7	8	12	6	9	83	3	2	4	13	13	10	12	14	87	79	83	71	87		

EXHIBIT No. 7.

EMPLOYMENT OF CHINESE IN THE FURNITURE TRADE IN SYDNEY IN 1899.

(Supplied by the Department of Labour and Industry, New South Wales.)

Number of Chinese employed in making furniture—

Recorded on books of department	..	..	..	..	515
Estimate of actual number employed	..	..	..	..	560

EXHIBIT No. 8.

TABLE SHOWING HORSE-POWER EMPLOYED AND VALUE OF PLANT IN THE MANUFACTORIES OF NEW ZEALAND AND THE STATES OF THE COMMONWEALTH.

(From "The Seven Colonies of Australasia.")

State.				Year.	Horse-power employed.	Value of Plant.
					Number.	£
New South Wales	...	...	...	1899	33,180	5,640,384
Victoria	...	...	...	1899	33,046	4,632,629
Queensland	...	...	...	1899	27,580	4,536,508
South Australia	...	...	...	1899	13,493	1,835,850
Western Australia	...	...	...	1898	7,432	1,254,935
Tasmania	...	...	...	1898	2,853	302,418
New Zealand*	...	...	...	1896	28,096	2,988,955
Total	...	...	...	...	145,680	21,191,679

* Figures are not obtainable later than 1896 for New Zealand.

EXHIBIT No. 9.

TABLE SHOWING VALUE OF PRODUCTION OF THE MANUFACTORIES OF NEW ZEALAND AND THE COMMONWEALTH FOR 1899.

(From "The Seven Colonies of Australasia.")

State.				Value of Production.	Value per Inhabitant.
				£	£ s. d.
New South Wales	...	...	...	9,207,000	6 16 10
Victoria	...	...	...	10,052,000	8 13 0
Queensland	...	...	...	4,772,000	10 0 1
South Australia	...	...	...	2,655,000	7 4 4
Western Australia	...	...	...	1,515,000	8 18 8
Tasmania	...	...	...	465,000	2 11 9
Commonwealth	...	...	...	28,666,000	7 14 10
New Zealand	...	...	...	4,650,000	6 4 0
Australasia	...	...	...	33,316,000	7 9 8

EXHIBIT No. 10.

TABLE SHOWING TOTAL VALUE OF PRODUCTION OF ALL INDUSTRIES OF NEW ZEALAND AND THE STATES OF THE COMMONWEALTH FOR 1899, AND ALSO THE TOTAL VALUE DISTRIBUTED AMONG THE VARIOUS INDUSTRIES.

(From "The Seven Colonies of Australasia.")

State.	Agriculture.	Pastoral Industries.	Dairying, Poultry- and Bee-farming.	Mining Industries.	Forestry and Fisheries.	Manufactures.	Total Value of Production.	Value per Inhabitant.
	£	£	£	£	£	£	£	£ s. d.
New South Wales	5,582,000	14,527,000	2,543,000	6,081,000	639,000	9,207,000	38,579,000	23 13 7
Victoria..	6,435,000	7,219,000	3,384,000	3,579,000	201,000	10,052,000	30,870,000	26 11 4
Queensland ..	1,848,000	7,283,000	889,000	3,140,000	629,000	4,772,000	18,561,000	33 18 4
South Australia ..	2,568,000	2,503,000	671,000	516,000	45,000	2,655,000	8,958,000	24 6 11
Western Australia	500,000	869,000	251,000	6,346,000	734,000	1,515,000	10,215,000	60 4 10
Tasmania ..	996,000	687,000	285,000	2,539,000	118,000	465,000	5,090,000	28 6 4
Commonwealth	17,929,000	33,088,000	8,023,000	22,201,000	2,366,000	28,666,000	112,273,000	30 6 8
New Zealand ..	7,318,000	7,707,000	2,354,000	2,657,000*	611,000	4,650,000	25,297,000	33 14 7
Australasia ..	25,247,000	40,795,000	10,377,000	24,858,000	2,977,000	33,316,000	137,570,000	30 18 0

* Kauri-gum production included herein.

EXHIBIT No. 11.

STATISTICS OF THE SEVEN COLONIES OF AUSTRALASIA, FROM 1861 TO 1899.

(Compiled by T. A. COGHLAN, Government Statistician, New South Wales.)

EXPORTS.

Colony.	1861.	1871.	1881.	1891.	1899.
	£	£	£	£	£
New South Wales ...	6,609,461	11,261,219	16,307,805	25,944,020	28,445,466
Victoria ...	13,828,606	14,557,820	16,252,103	16,006,743	18,567,780
Queensland ...	709,599	2,760,045	3,540,366	8,305,387	11,942,858
South Australia ...	2,032,311	3,582,397	4,508,754	10,642,416	8,547,046
Western Australia ...	95,789	199,281	502,770	799,466	6,985,642
Tasmania ...	905,463	740,638	1,555,576	1,440,818	2,577,475
Commonwealth ...	24,181,229	33,101,400	42,667,374	63,138,850	77,066,267
New Zealand ...	1,370,247	5,282,084	6,060,866	9,566,397	11,938,335
Australasia ...	25,551,476	38,383,484	48,728,240	72,705,247	89,004,602

EXPORTS PER HEAD OF POPULATION.

Colony.	1861.	1871.	1881.	1891.	1899.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New South Wales ...	18 14 2	22 3 2	21 9 0	22 14 3	21 2 11
Victoria ...	25 12 4	19 15 1	18 13 6	13 19 7	15 19 7
Queensland ...	22 14 8	22 18 8	15 18 6	20 18 11	25 0 9
South Australia ...	16 3 11	19 7 11	16 5 7	33 0 0	23 4 7
Western Australia ...	6 2 10	7 18 1	17 0 8	16 1 2	41 3 11
Tasmania ...	10 1 3	7 6 3	13 6 3	9 13 6	14 6 10
Commonwealth ...	20 19 0	19 14 10	18 13 7	19 13 11	20 16 5
New Zealand ...	15 6 8	20 10 0	12 5 11	15 3 8	15 18 4
Australasia ...	20 10 10	19 16 10	17 11 0	18 19 2	19 19 11

EXPORTS OF DOMESTIC PRODUCE, AS PER CUSTOMS RETURNS.

Colony.	1861.	1871.	1881.	1891.	1899.
	£	£	£	£	£
New South Wales ...	5,016,891	9,227,108	10,784,327	21,085,712	19,221,854
Victoria ...	10,596,368	11,151,662	12,480,567	13,026,426	14,038,600
Queensland ...	698,747	2,407,888	3,478,376	7,979,080	11,697,139
South Australia ...	1,838,639	3,289,861	3,755,781	4,810,512	4,101,081
Western Australia ...	95,000	198,250*	498,634	788,873	6,793,946
Tasmania ...	838,343	730,946	1,548,116	1,367,927	2,557,315
Commonwealth ...	19,083,988	27,005,715	32,545,801	49,058,530	58,409,935
New Zealand ...	1,339,241	5,171,104	5,762,250	9,400,094	11,799,740
Australasia ...	20,423,229	32,176,819	38,308,051	58,458,624	70,209,675

* Estimated.

EXPORTS OF DOMESTIC PRODUCE, PER HEAD OF POPULATION.

Colony.	1861.	1871.	1881.	1891.	1899.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New South Wales ...	14 4 0	18 3 1	14 1 11	18 9 2	14 5 9
Victoria ...	19 12 7	15 2 7	14 6 10	11 7 6	12 1 8
Queensland ...	22 7 9	20 0 2	15 12 11	20 2 5	24 10 6
South Australia ...	14 13 1	17 16 3	13 11 3	14 18 4	11 2 11
Western Australia ...	6 1 10	7 17 3	16 17 10	15 16 11	40 1 3
Tasmania ...	9 6 4	7 4 4	13 5 0	9 3 8	14 4 6
Commonwealth ...	16 10 8	16 2 1	14 4 11	15 6 1	15 15 7
New Zealand ...	14 19 9	20 1 4	11 13 9	14 18 5	15 14 8
Australasia ...	16 8 5	16 12 8	13 15 11	15 4 10	15 15 6

EXHIBIT No. 11—*continued*.
 STATISTICS OF THE SEVEN COLONIES OF AUSTRALASIA—*continued*.
 LIVE-STOCK—SHEEP.

Colony.	1861.	1871.	1881.	1891.	1899.
	No.	No.	No.	No.	No.
New South Wales ...	5,615,054	16,278,697	36,591,946	61,831,416	36,213,514
Victoria ...	6,239,258	10,002,381	10,267,265	12,928,148	*13,180,943
Queensland ...	4,093,381	7,403,334	8,292,883	20,289,633	15,226,479
South Australia ...	3,038,356	4,412,055	6,810,856	7,745,541	5,721,493
Western Australia ...	279,576	670,999	1,267,912	1,962,212	2,282,306
Tasmania ...	1,714,498	1,305,489	1,847,479	1,662,801	1,672,068
Commonwealth ...	20,980,123	40,072,955	65,078,341	106,419,751	74,296,803
New Zealand ...	2,761,583	9,700,629	12,985,085	18,128,186	19,348,506
Australasia ...	23,741,706	49,773,584	78,063,426	124,547,937	93,645,309

* 1894 figures; returns not collected for 1899.

LIVE-STOCK—HORNED CATTLE.

Colony.	1861.	1871.	1881.	1891.	1899.
	No.	No.	No.	No.	No.
New South Wales ...	2,271,923	2,014,888	2,597,348	2,046,347	1,967,081
Victoria ...	628,092	799,509	1,286,677	1,812,104	*1,833,900
Queensland ...	560,196	1,168,235	3,618,513	6,192,759	5,053,836
South Australia ...	265,434	143,463	314,918	676,933	526,524
Western Australia ...	33,795	49,593	63,009	133,690	297,081
Tasmania ...	87,114	101,540	130,526	167,666	160,204
Commonwealth ...	3,846,554	4,277,228	8,010,991	11,029,499	9,838,626
New Zealand ...	193,285	436,592	698,637	831,831	1,210,439
Australasia ...	4,039,839	4,713,820	8,709,628	11,861,330	11,049,065

* 1894 figures; returns not collected for 1899.

LIVE-STOCK—HORSES.

Colony.	1861.	1871.	1881.	1891.	1899.
	No.	No.	No.	No.	No.
New South Wales ...	233,220	304,100	398,577	459,755	482,200
Victoria ...	84,057	181,643	278,195	440,696	*431,547
Queensland ...	28,983	91,910	194,217	399,364	479,127
South Australia ...	52,597	78,125	159,678	202,906	180,335
Western Australia ...	10,720	22,698	31,755	40,812	65,918
Tasmania ...	22,118	23,054	25,607	31,262	31,189
Commonwealth ...	431,695	701,530	1,088,029	1,574,795	1,670,316
New Zealand ...	28,275	81,028	161,736	211,040	261,931
Australasia ...	459,970	782,558	1,249,765	1,785,835	1,932,247

* 1894 figures; returns not collected for 1899.

BUTTER, CHEESE, AND SWINE PRODUCTS, 1899.

Colony.	Dairy Cows.	Butter made.	Cheese made.	Swine.	Bacon and Hams cured.
	No.	Lb.	Lb.	No.	Lb.
New South Wales ...	399,327	33,033,881	2,385,987	239,773	6,831,943
Victoria ...	464,469	53,327,585	4,512,706	†337,588	10,886,314
Queensland ...	*131,000	8,462,595	1,910,300	139,118	7,147,760
South Australia ...	84,498	5,581,231	946,930	84,262	†2,619,000
Western Australia ...	*22,500	*275,000	*850	55,953	*225,000
Tasmania ...	41,482	†2,094,000	†628,000	74,451	†1,448,000
Commonwealth ...	1,143,276	102,774,292	10,384,773	931,145	29,158,017
New Zealand ...	343,556	†30,940,000	†13,430,000	249,751	†6,195,000
Australasia ...	1,486,832	133,714,292	23,814,773	1,180,896	35,353,017

* Approximate.

† Estimated; returns not complete.

‡ 1894 figures; returns not collected for 1899.

EXHIBIT No. 11—*continued.*STATISTICS OF THE SEVEN COLONIES OF AUSTRALASIA—*continued.*

PUBLIC REVENUE, 1899–1900, PER HEAD OF POPULATION.

Colony.	Taxation.		Railways and Tramways.	Posts and Telegraphs.	Public Lands.	All other Sources.	Total Revenue.
	Import and Excise Duties.	Other.					
New South Wales ...	£ 1 5 7	£ 0 13 0	£ 2 12 6	£ 0 11 10	£ 1 11 1	£ 0 13 0	£ 7 7 0
Victoria ...	£ 1 19 0	£ 0 11 7	£ 2 11 9	£ 0 9 7	£ 0 6 5	£ 0 9 9	£ 6 8 1
Queensland ...	£ 3 6 5	£ 0 15 11	£ 2 19 0	£ 0 12 10	£ 1 5 8	£ 0 10 5	£ 9 10 3
South Australia ...	£ 1 13 3	£ 0 14 0	£ 3 3 11	£ 0 14 10	£ 0 7 10	£ 0 18 2	£ 7 12 0
Northern Territory ...	£ 7 2 10	£ 0 13 4	£ 3 1 10	£ 0 4 5	£ 2 16 8	£ 1 2 3	£ 15 1 4
Western Australia ...	£ 5 9 2	£ 0 14 3	£ 7 7 3	£ 1 4 4	£ 0 15 2	£ 1 6 1	£ 16 16 3
Tasmania ...	£ 2 9 10	£ 0 11 1	£ 1 1 5	£ 0 10 3	£ 0 7 11	£ 0 4 6	£ 5 5 0
Commonwealth ...	£ 2 1 0	£ 0 13 0	£ 2 17 1	£ 0 12 0	£ 0 18 7	£ 0 12 5	£ 7 14 1
New Zealand ...	£ 2 18 1	£ 0 18 8	£ 2 3 1	£ 0 13 0	£ 0 6 11	£ 0 11 7	£ 7 11 4
Australasia ...	£ 2 3 10	£ 0 13 11	£ 2 14 9	£ 0 12 2	£ 0 16 8	£ 0 12 3	£ 7 13 7

PUBLIC DEBT.

Colony.	1861.	1871.	1881.	1891.	1900.
New South Wales ...	£ 4,017,630	£ 10,614,330	£ 16,924,019	£ 52,950,733	£ 65,332,993
Victoria ...	£ 6,345,060	£ 11,994,800	£ 22,426,502	£ 43,638,897	£ 49,324,885
Queensland ...	£ 70,000	£ 4,047,850	£ 13,245,150	£ 29,457,134	£ 34,349,414
South Australia ...	£ 866,500	£ 2,167,700	£ 11,196,800	£ 20,347,125	£ 26,156,180
Western Australia ...	£ 1,750	...	£ 511,000	£ 1,613,594	£ 11,804,178
Tasmania ...	...	£ 1,315,200	£ 2,003,000	£ 7,110,290	£ 8,413,694
Commonwealth ...	£ 11,300,940	£ 30,139,880	£ 66,306,471	£ 155,117,773	£ 195,381,344
New Zealand ...	£ 600,761	£ 8,900,991	£ 29,659,111	£ 38,844,914	£ 47,874,452
Australasia ...	£ 11,901,701	£ 39,040,871	£ 95,965,582	£ 193,962,687	£ 243,255,796

PUBLIC DEBT, PER HEAD OF POPULATION.

Colony.	1861.	1871.	1881.	1891.	1900.
New South Wales ...	£ s. d. 11 4 5	£ s. d. 20 10 0	£ s. d. 21 14 8	£ s. d. 45 10 8	£ s. d. 48 0 0
Victoria ...	£ s. d. 11 14 3	£ s. d. 16 0 11	£ s. d. 25 9 7	£ s. d. 37 14 4	£ s. d. 42 4 6
Queensland ...	£ s. d. 2 0 9	£ s. d. 32 6 11	£ s. d. 58 7 2	£ s. d. 73 12 5	£ s. d. 70 7 9
South Australia ...	£ s. d. 6 16 8	£ s. d. 11 13 7	£ s. d. 39 2 1	£ s. d. 62 9 11	£ s. d. 70 16 5
Western Australia ...	£ s. d. 0 2 3	...	£ s. d. 17 0 6	£ s. d. 30 5 8	£ s. d. 66 4 11
Tasmania ...	...	£ s. d. 12 18 5	£ s. d. 16 16 10	£ s. d. 46 11 10	£ s. d. 46 3 1
Commonwealth ...	£ s. d. 9 13 8	£ s. d. 17 13 11	£ s. d. 28 10 9	£ s. d. 47 14 1	£ s. d. 52 2 10
New Zealand ...	£ s. d. 6 1 4	£ s. d. 33 6 9	£ s. d. 59 4 2	£ s. d. 61 5 3	£ s. d. 63 2 5
Australasia ...	£ s. d. 9 8 0	£ s. d. 19 16 4	£ s. d. 34 0 2	£ s. d. 49 18 4	£ s. d. 53 19 10

EXHIBIT No. 12.

AGRICULTURAL STATISTICS, 1899–1900.

(Compiled by E. J. VON DADELSZEN, Registrar-General, New Zealand.)

Colonies.	Land in Crop.	Land broken up but not under Crop.	Land in Sown Grasses.	Total Land in Cultivation (including Sown Grasses).
Queensland	Acres. 420,746	Acres. 34,899	Acres. 19,204	Acres. 474,849
New South Wales	2,440,968	326,079*	378,852	3,145,899*
Victoria	3,159,312	509,244	151,949†	3,820,505
South Australia	2,238,240	822,013	21,593	3,081,846
Western Australia (1898–99)	171,164	44,836	...	216,000
Tasmania	225,126	29,665	288,777	543,568
New Zealand	1,632,691	78,751	10,853,302‡	12,564,744‡

* Cleared and prepared for cultivation. † This refers only to areas in connection with cultivated holdings, no attempt being made to ascertain the whole area under permanent artificial grasses. ‡ In grass after being ploughed, 4,337,594 acres; not previously ploughed, 6,515,708 acres.

EXHIBIT No. 12—*continued.*
 AGRICULTURAL STATISTICS, 1899-1900—*continued.*

Colonies.	In Wheat.			In Oats.			In Barley.			In Maize.		
	Land.	Produce.	Yield per Acre.	Land.	Produce.	Yield per Acre.	Land.	Produce.	Yield per Acre.	Land.	Produce.	Yield per Acre.
	Acres.	Bush.	Bush.	Acres.	Bush.	Bush.	Acres.	Bush.	Bush.	Acres.	Bush.	Bush.
Queensland ..	52,527	614,414	11·70	714	10,712	15·00	7,474	118,443	15·85	110,489	1,965,598	17·79
New South Wales ..	1,426,166	13,604,166	9·54	29,125	627,904	21·56	7,154	132,476	18·52	214,697	5,976,022	27·83
Victoria ..	2,165,693	15,237,948	7·04	271,280	6,116,046	22·54	79,573	1,466,088	18·42	11,037	624,844	56·61
South Australia ..	1,821,137	8,453,135	4·64	20,229	218,331	10·79	15,767	188,917	11·98	..	..	..
Western Australia (1898-99)	74,732	864,909	11·87	3,072	55,854	18·18	2,186	29,295	13·40	110	1,365	12·41
Tasmania ..	64,328	1,101,303	17·12	45,110	1,148,160	25·45	7,606	142,721	18·76	133	..	..
New Zealand ..	269,749	8,581,898	31·81	398,243	16,325,832	40·99	48,003	1,585,145	33·02	17,429	669,896	38·44

Colonies.	Beans and Peas.	In other Cereals.	In Hay of all Kinds			In Potatoes.			In other Root Crops
			Land.	Produce.	Yield per Acre.	Land.	Produce.	Yield per Acre.	
	Acres.	Acres.	Acres.	Tons.	Tons.	Acres.	Tons.	Tons.	Acres.
Queensland ..	69	517	58,939	103,409	1·75	10,766	22,675	2·11	3,919
New South Wales ..	728	4,885	554,048	546,850	0·99	34,968	81,337	2·33	999
Victoria ..	12,243	1,050	450,189	596,193	1·32	55,469	173,381	3·13	5,808
South Australia ..	3,842	..	311,440	229,800	0·74	8,406	19,716	2·35	..
Western Australia (1898-99) ..	186	514	78,923	77,017	0·98	1,675	5,698	3·40	224
Tasmania ..	13,337	225,647	42,492	51,123	1·20	26,951	101,670	3·77	4,881
New Zealand ..	10,180	2,081	68,234*	†	†	36,984	222,124	6·00	551,250

* Excluding oaten hay. † Produce not ascertained.

EXHIBIT No. 13.

AGRICULTURAL STATISTICS FOR VICTORIA, 1900-1.

Preliminary Return according to Returns collected by Municipal Authorities under the Local Government Act.

(Compiled by J. J. FENTON, Assistant Government Statist, Victoria.)

Name of Crop.	Area under Crop.	Produce.		Average per Acre.
		Bags.	Bushels.	
Wheat ...	Acres. *2,011,428	4,205,810	17,790,576	Bushels. 8·84
Oats ...	*362,427	2,186,181	9,575,472	26·42
Barley—				
Malting ...	50,030	229,820	1,013,506	20·26
Other ...	9,097	49,392	211,398	23·24
Maize ...	9,388	†155,822	†623,288	66·39
Rye ...	823	2,905	12,056	14·65
Peas and beans ...	7,921	36,550	148,759	18·78
Potatoes—			Tons.	Tons.
Dug ...	6,676	..	21,319	3·19
Not dug ...	32,048	..	..	..
Mangel-wurzel ...	635	..	7,616	11·99
Beet, carrots, turnips, and parsnips ...	438	..	3,532	8·06
Onions ...	2,811	..	12,739	4·53
Hay—				
Wheaten ...	242,909	..	288,601	1·18
Oaten ...	253,101	..	381,321	1·51
Other ...	3,947	..	6,061	1·54
Grass cut for seed ...	2,168	..	5,909	2·73
Green fodder of all kinds ...	18,832	..	..	..
Artificial grass ...	203,988	..	..	..
Vines ...	25,382	..	..	..
Orchards and gardens ...	57,454	..	..	..
Other tillage ...	2,836	..	..	..
Land in fallow ...	602,754	..	..	..
Total tillage ...	3,907,093	..	..	..

* Included in the area under wheat 19,495 acres, and in the area under oats 3,280 acres, are reported to have failed.

† Partly estimated. Crop not yet completely gathered.

EXHIBIT No. 13—continued.

AGRICULTURAL STATISTICS FOR VICTORIA, 1900-1—continued.

NOTE.—In the season 1900-1 the computed average weights per bag were as follow: Wheat, 253·50 lb.; oats, 175·27 lb.; malting barley, 220·57 lb.; other barley, 214·14 lb.; maize, 224 lb.; rye, 248·93 lb.; and peas and beans, 244·09 lb. In several of the municipalities the statistics are not quite complete, but estimates have been made for the returns not to hand.

Area under Crop.

Year.	Wheat.	Oats.	Barley.			Potatoes.	Hay.
			Malting.	Other.	Total.		
	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.
1895-96 ...	1,412,736	255,503	71,789	6,649	78,438	43,895	464,482
1896-97 ...	1,580,613	419,460	53,421	8,952	62,373	43,532	416,667
1897-98 ...	1,657,450	294,183	26,118	11,087	37,205	44,197	580,000
1898-99 ...	2,154,163	266,159	33,584	14,275	47,859	41,252	565,345
1899-00 ...	2,165,693	271,280	65,970	13,603	79,573	55,469	450,189
1900-01 ...	2,011,428	362,427	50,030	9,097	59,129	38,724	499,957

Gross Produce of Crop.

Year.	Wheat.	Oats.	Barley.			Potatoes.	Hay.
			Malting.	Other.	Total.		
	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Tons.	Tons.
1895-96 ...	5,669,174	2,880,045	624,388	91,204	715,592	117,238	390,861
1896-97 ...	7,091,029	6,816,951	641,406	174,199	815,605	146,555	449,056
1897-98 ...	10,580,217	4,809,479	502,411	256,043	758,454	67,296	659,635
1898-99 ...	19,581,304	5,523,419	776,785	335,782	1,112,567	161,142	723,299
1899-00 ...	15,237,948	6,116,046	1,197,948	268,140	1,466,088	173,381	596,193
1900-01 ...	17,790,576	9,575,472	1,013,506	211,398	1,224,904	*	675,983

* Returns incomplete. The quantity derived from 6,676 acres which had been dug was 21,319 tons, as compared with 7,875 acres and 28,800 tons in the preceding year.

Average Yield per Acre.

Year.	Wheat.	Oats.	Barley.			Potatoes.	Hay.
			Malting.	Other.	Total.		
	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Tons.	Tons.
1895-96 ...	4·01	11·28	8·76	13·70	9·12	2·67	0·84
1896-97 ...	4·49	16·25	12·01	19·45	13·08	3·37	1·08
1897-98 ...	6·38	16·35	19·24	23·09	20·38	1·52	1·14
1898-99 ...	9·09	20·75	23·13	23·52	23·25	3·91	1·28
1899-00 ...	7·04	22·55	18·16	19·71	18·42	3·13	1·32
1900-01 ...	8·84	26·42	20·26	23·24	20·72	*	1·35

* The average on area dug was 3·19 tons per acre, as against 3·66 tons, 1899-1900.

EXHIBIT No. 14.

THE VALUE OF THE SUGAR IMPORTED FROM FIJI, AND THE DUTY PAID THEREON, AS COMPARED WITH THE SAME FROM AUSTRALIA, FOR 1899.

	Value of Sugar imported.	Duty.
	£	£
Fiji (raw sugar) ...	217,110	113,000*
Australia (refined sugar) ...	128,275	40,040*

* Estimated.

EXHIBIT No. 15.

RETURN SHOWING THE VALUE OF PRINCIPAL ITEMS OF EXPORTS TO (1) THE COMMONWEALTH, AND (2) THE WORLD, FOR 1899 (Specie and Foreign Produce excluded).

Provincial District of Auckland.

Groups of Principal Items exported.	Auckland Exports to Commonwealth.	Proportion per Cent.	Total Auckland Exports.	Proportion per Cent.	Proportion of Auckland Exports to Commonwealth—	
					To Total Auckland Exports.	To New Zealand Exports to Commonwealth.
The mine—	£		£			
Coal	3,453	1.33	12,778	0.58	27.02	74.45
Gold	17,515	6.72	624,739	28.26	2.80	2.71
Silver	593	0.23	40,838	1.85	1.45	100.00
Minerals	4,621	1.77	6,212	0.28	74.39	82.09
	26,182	10.05	684,567	30.97	3.82	3.99
The fisheries—						
Fish	910	0.35	2,655	0.12	34.27	4.80
Oysters .. .. .	..	..	..	..	..	..
Other kinds	118	0.04	220	0.01	53.63	70.24
	1,028	0.39	2,875	0.13	3.58	4.83
The forest—						
Fungus .. .. .	..	..	4,773	0.22	..	..
Gum, kauri	1,966	0.75	607,919	27.49	0.32	100.00
Timber, sawn and hewn	165,707	63.56	184,049	8.33	90.03	92.89
Other kinds	321	0.12	2,613	0.12	12.28	48.27
	167,994	64.43	799,354	36.16	21.05	91.05
Animals and produce—						
Bacon and hams	548	0.21	1,801	0.08	30.42	4.93
Beef and pork, salted	122	0.05	7,514	0.34	1.62	38.01
Butter	6,101	2.34	65,732	2.97	9.28	10.61
Cheese	1,696	0.65	2,931	0.13	57.86	2.93
Hides	7,809	2.99	17,032	0.77	45.85	29.18
Live-stock	2,188	0.84	7,841	0.36	27.90	24.08
Meats—						
Preserved	178	0.07	18,057	0.82	0.98	0.74
Frozen .. .. .	..	..	110,044	4.98	..	..
Sausage-skins	20	..	2,511	0.11	0.78	2.53
Skins—						
Rabbit .. .. .	..	..	..	..	..	..
Sheep, and pelts	378	0.14	9,859	0.45	3.83	10.64
Tallow	3,551	1.37	30,258	1.37	11.73	13.65
Wool	2,336	0.89	359,321	16.25	0.65	9.18
Other kinds	914	0.35	2,257	0.10	40.49	27.66
	25,841	9.90	635,158	28.73	4.07	10.42
Agricultural products—						
Brass and sharps .. .. .	..	..	603	0.03	..	..
Chaff .. .. .	..	..	..	..	..	..
Flour	3	..	1,002	0.04	0.29	0.04
Grain—						
Barley	75	0.03	215	0.01	34.88	0.44
Beans and peas	61	0.02	147	..	41.49	1.23
Maize	24,509	9.40	24,616	0.11	99.56	98.36
Malt	135	0.06	135	..	100.00	0.33
Oats .. .. .	..	..	177	0.01	..	..
Wheat	80	0.03	154	0.01	51.94	0.22
Hops .. .. .	..	..	..	..	..	..
Oatmeal .. .. .	..	..	..	..	..	..
Potatoes	531	0.21	2,508	0.11	21.17	1.44
Seeds, grass and clover	674	0.27	1,079	0.05	62.46	4.28
Other kinds	617	0.23	2,311	0.11	26.69	6.59
	26,685	10.25	32,947	1.48	80.99	6.11
Manufactures—						
Apparel	22	0.01	1,292	0.06	1.70	1.39
Leather	167	0.07	7,755	0.35	2.15	1.13
Phormium	5,087	1.96	20,021	0.91	25.41	17.83
Woollens	34	0.01	295	0.01	11.52	0.42
Other kinds	6,872	2.64	23,966	1.08	28.67	16.55
	12,182	4.69	53,329	2.41	22.85	13.19
Miscellaneous	776	0.29	2,616	0.12	29.66	..
Total exports (colonial produce and manufactures)	260,688	100.00	2,210,846	100.00	11.79	15.88

EXHIBIT No. 15—continued.

RETURN SHOWING THE VALUE OF PRINCIPAL ITEMS OF EXPORTS TO (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899—continued.

Provincial District of Wellington.

Groups of Principal Items exported.	Wellington Exports to Commonwealth.	Proportion per Cent.	Total Wellington Exports.	Proportion per Cent.	Proportion of Wellington Exports to Commonwealth—	
					To Total Wellington Exports.	To New Zealand Exports to Commonwealth.
The mines—	£		£			
Coal	714	0·74	35,952	1·59	1·99	15·38
Gold .. .. .	..	..	..	..	..	..
Silver .. .. .	..	..	..	..	..	..
Minerals .. .. .	..	..	..	..	..	..
	714	0·74	35,952	1·59	1·99	0·11
The fisheries—						
Fish	1,067	1·10	1,272	0·06	83·96	5·63
Oysters	25	0·03	25	..	100·00	1·17
Other kinds .. .. .	..	..	80	..	..	..
	1,092	1·13	1,377	0·06	79·30	5·14
The forest—						
Fungus	413	0·43	1,009	0·05	40·93	11·28
Gum, kauri .. .. .	..	..	..	..	..	..
Timber, sawn and hewn	2,882	2·97	2,929	0·13	98·29	1·62
Other kinds	73	0·08	107	..	68·22	10·98
	3,868	3·48	4,045	0·18	83·26	1·83
Animals and produce—						
Bacon and hams	3,614	3·73	4,182	0·19	86·41	32·50
Beef and pork, salted .. .. .	..	..	..	..	..	..
Butter	13,417	13·84	121,810	5·39	11·01	23·33
Cheese	10,444	10·78	34,668	1·53	30·12	18·01
Hides	6,900	7·12	6,924	0·31	99·65	25·78
Live-stock	1,360	1·40	1,990	0·09	68·34	14·97
Meats—						
Preserved	4,186	4·32	23,186	1·02	18·05	17·36
Frozen	1	..	556,182	24·62	..	50·00
Sausage-skins	504	0·52	21,293	0·94	2·36	63·72
Skins—						
Rabbit .. .. .	..	..	2,508	0·11	..	..
Sheep, and pelts	439	0·45	52,937	2·34	0·83	12·36
Tallow	9,544	9·85	104,386	4·62	9·14	36·69
Wool	15,557	16·05	1,124,752	49·78	1·38	61·10
Other kinds	314	0·32	843	0·04	37·24	9·50
	66,280	68·38	2,055,661	90·98	3·22	26·77
Agricultural products—						
Bran and sharps .. .. .	..	..	..	..	..	..
Chaff .. .. .	..	..	..	..	..	..
Flour .. .. .	..	..	..	..	..	..
Grain—						
Barley .. .. .	..	..	..	..	..	..
Beans and peas	262	0·27	644	0·03	40·68	5·27
Maize .. .. .	..	..	..	..	..	..
Malt .. .. .	..	..	..	..	..	..
Oats .. .. .	..	..	14	..	..	..
Wheat .. .. .	..	..	1,585	0·07	..	..
Hops .. .. .	..	..	..	..	..	..
Oatmeal .. .. .	..	..	1	..	..	..
Potatoes	729	0·75	964	0·04	75·62	1·98
Seeds, grass and clover	1,413	1·45	1,702	0·08	83·02	8·98
Other kinds	742	0·77	800	0·04	92·75	7·92
	3,146	3·24	5,910	0·26	53·23	0·72
Manufactures—						
Apparel	43	0·04	118	..	36·44	2·74
Leather	101	0·14	10,725	0·47	0·94	0·69
Phormium	18,775	19·37	139,279	6·17	13·48	65·82
Woolens .. .. .	..	..	..	..	..	..
Other kinds	1,929	1·99	4,722	0·21	40·85	4·65
	20,848	21·54	154,844	6·85	13·46	22·57
Miscellaneous	1,450	1·49	1,779	0·08	81·50	..
Total exports (colonial produce and manufactures)	96,898	100·00	2,259,568	100·00	4·28	5·90

EXHIBIT No. 15—continued.

RETURN SHOWING THE VALUE OF PRINCIPAL ITEMS OF EXPORTS TO (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899—continued.

Provincial District of Canterbury.

Groups of Principal Items exported.	Canterbury Exports to Commonwealth.	Proportion per Cent.	Total Canterbury Exports.	Proportion per Cent.	Proportion of Canterbury Exports to Commonwealth—	
					To Total Canterbury Exports.	To New Zealand Exports to Commonwealth.
The mine—	£		£			
Coal .. .. .	..	..	25,656	0·85	..	..
Gold .. .. .	..	..	..	..	..	..
Silver .. .. .	..	..	..	..	..	..
Minerals .. .. .	..	..	..	..	..	..
	..	..	25,656	0·85	..	..
The fisheries—						
Fish	168	0·09	190	..	88·42	0·89
Oysters .. .. .	..	..	..	..	..	..
Other kinds .. .. .	..	..	..	..	..	..
	168	0·09	190	..	88·42	0·79
The forest—						
Fungus .. .. .	..	..	..	..	..	..
Gum, kauri .. .. .	..	..	..	..	..	..
Timber, sawn and hewn .. .. .	..	..	..	..	..	..
Other kinds	4	..	16	..	25·00	0·60
	4	..	16	..	25·00	..
Animals and produce—						
Bacon and hams	5,095	2·73	6,304	0·21	80·82	45·83
Beef and pork, salted .. .. .	..	..	..	..	..	..
Butter	446	0·24	22,950	0·76	1·94	0·77
Cheese	4,076	2·18	9,006	0·30	45·26	7·03
Hides	662	0·36	662	0·02	100·00	2·47
Live-stock	2,415	1·29	8,415	0·28	28·69	26·58
Meats—						
Preserved	8,655	4·63	13,839	0·46	62·54	35·88
Frozen	1	..	846,969	28·04	..	50·00
Sausage-skins	267	0·14	11,885	0·39	2·25	33·75
Skins—						
Rabbit .. .. .	..	..	313	0·01	..	..
Sheep, and pelts	78	0·04	157,609	5·22	0·05	2·19
Tallow	4,986	2·67	108,163	3·58	4·61	19·17
Wool	943	0·50	1,194,413	39·55	0·08	3·71
Other kinds	481	0·26	1,260	0·04	38·18	14·55
	28,105	15·04	2,881,788	78·86	1·18	11·34
Agricultural products—						
Bran and sharps	10,907	5·84	11,712	0·39	93·13	60·56
Chaff	109	0·06	109	..	100·00	100·00
Flour	6,964	3·73	7,964	0·26	87·44	84·19
Grain—						
Barley	11,059	5·92	11,728	0·39	94·29	65·03
Beans and peas	3,766	2·02	9,088	0·30	41·46	75·69
Maize .. .. .	..	..	..	..	..	..
Malt	21,198	11·35	21,198	0·70	100·00	51·88
Oats	27,096	14·51	90,511	3·00	29·94	14·99
Wheat	17,693	9·47	284,244	9·41	6·22	47·76
Hops	10	..	10	..	100·00	0·04
Oatmeal	114	0·07	114	..	100·00	0·67
Potatoes	31,752	17·00	32,246	1·07	98·43	86·06
Seeds, grass and clover	8,792	4·71	48,154	1·59	18·25	55·88
Other kinds	6,343	3·40	8,818	0·29	71·01	67·74
	145,803	78·08	525,891	17·40	27·72	33·40
Manufactures—						
Apparel	1,459	0·78	1,818	0·06	80·25	92·81
Leather	1,249	0·67	57,663	1·91	2·17	8·50
Phormium	1,271	0·68	16,311	0·54	7·79	4·45
Woolens	3,176	1·70	3,290	0·11	96·53	39·44
Other kinds	5,271	2·82	6,875	0·23	76·67	12·69
	12,426	6·65	85,957	2·85	14·45	13·46
Miscellaneous	260	0·14	1,081	0·04	24·05	..
Total exports (colonial produce and manufactures)	186,766	100·00	3,020,579	100·00	6·18	11·37

EXHIBIT No. 15—continued.

RETURN SHOWING THE VALUE OF PRINCIPAL ITEMS OF EXPORTS TO (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899—continued.

Provincial District of Otago.

Groups of Principal Items exported.	Otago Exports to Commonwealth.	Proportion per Cent.	Total Otago Exports.	Proportion per Cent.	Proportion of Otago Exports to Commonwealth—	
					To Total Otago Exports.	To New Zealand Exports to Commonwealth.
The mine—	£		£			
Coal	39	..	3,058	0·14	1·28	0·84
Gold	399,241	51·98	526,719	23·45	75·79	61·82
Silver .. .. .	..	..	..	..	..	..
Minerals	932	0·12	3,021	0·13	30·85	16·56
	400,212	52·10	532,798	23·72	75·11	60·94
The fisheries—						
Fish	14,548	1·89	14,846	0·66	97·99	76·89
Oysters	2,103	0·28	2,103	0·09	100·00	98·83
Other kinds	50	0·01	50	..	100·00	29·76
	16,701	2·18	16,999	0·75	98·24	78·57
The forest—						
Fungus .. .. .	..	..	..	..	..	..
Gum, kauri .. .. .	..	..	..	..	..	..
Timber, sawn and hewn	235	0·03	236	..	99·58	0·14
Other kinds	69	0·01	76	..	90·79	10·53
	304	0·04	312	..	97·44	0·16
Animals and produce—						
Bacon and hams	542	0·07	742	0·03	73·05	4·87
Beef and pork, salted	180	0·02	180	0·01	100·00	56·39
Butter	8,806	1·15	46,485	2·07	18·94	15·32
Cheese	33,137	4·32	59,635	2·67	55·56	57·14
Hides	5,014	0·65	5,368	0·24	93·40	18·73
Live-stock	2,750	0·36	4,064	0·18	67·66	30·26
Meats—						
Preserved	9,718	1·27	23,194	1·03	41·89	40·29
Frozen .. .. .	..	..	327,195	14·56	..	..
Sausage-skins .. .. .	..	..	3,680	0·16	..	..
Skins—						
Rabbit	1,838	0·24	78,028	3·48	2·35	100·00
Sheep, and pelts	2,351	0·31	30,205	1·35	7·78	66·19
Tallow	4,979	0·65	26,941	1·20	13·48	19·15
Wool	4,895	0·64	707,707	31·51	0·69	19·23
Other kinds	1,189	0·15	2,219	0·10	53·58	35·98
	75,399	9·83	1,315,643	58·59	5·73	30·41
Agricultural products—						
Bran and sharps	7,103	0·92	7,421	0·33	95·71	39·44
Chaff .. .. .	..	..	..	..	..	..
Flour	1,305	0·17	1,333	0·06	97·90	15·77
Grain—						
Barley	4,903	0·64	4,903	0·22	100·00	28·83
Beans and peas	291	0·04	613	0·03	47·47	5·85
Maize	45	..	45	..	100·00	0·18
Malt	19,598	2·55	19,598	0·87	100·00	47·50
Oats	153,616	20·00	195,400	8·70	73·61	85·01
Wheat	19,274	2·51	52,094	2·32	37·00	52·02
Hops	324	0·04	324	0·01	100·00	1·28
Oatmeal	16,810	2·19	16,853	0·76	99·75	99·33
Potatoes	2,863	0·37	2,881	0·13	99·38	7·76
Seeds, grass and clover	4,351	0·57	10,018	0·45	43·43	27·65
Other kinds	1,424	0·19	1,572	0·07	90·58	15·20
	231,907	30·19	313,055	13·95	74·08	53·10
Manufactures—						
Apparel	48	0·01	89	..	53·93	3·06
Leather	13,166	1·71	21,683	0·97	60·72	89·68
Phormium	477	0·06	498	0·02	95·78	1·67
Woollens	4,843	0·63	4,855	0·22	99·75	60·14
Other kinds	24,624	3·21	39,334	1·75	62·60	59·33
	43,158	5·62	66,459	2·96	64·94	46·73
Miscellaneous	333	0·04	622	0·03	53·54	..
Total exports (colonial produce and manufactures)	768,014	100·00	2,245,888	100·00	34·20	46·76

EXHIBIT No. 15—*continued.*RETURN SHOWING THE VALUE OF PRINCIPAL ITEMS OF EXPORTS TO (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899—*continued.**Provincial District of Hawke's Bay.*

Groups of Principal Items exported.	Hawke's Bay Exports to Commonwealth.	Proportion per Cent.	Total Hawke's Bay Exports.	Proportion per Cent.	Proportion of Hawke's Bay Exports to Commonwealth—	
					To Total Hawke's Bay Exports.	To New Zealand Exports to Commonwealth.
The mine—	£		£			
Coal .. .. .	..	..	..	..	..	..
Gold .. .. .	..	..	..	..	..	..
Silver .. .. .	..	..	..	..	..	..
Minerals.. ..	..	..	..	..	..	..

The fisheries—						
Fish	1,213	8.21	1,244	0.13	97.50	6.40
Oysters .. ..	..	..	..	..	..	..
Other kinds ..	..	..	..	..	..	..
	1,213	8.21	1,244	0.13	97.50	5.71
The forest—						
Fungus .. .. .	..	..	..	..	..	..
Gum, kauri .. .	..	..	..	..	..	..
Timber, sawn and hewn ..	4,635	31.35	4,635	0.47	100.00	2.60
Other kinds .. .	..	..	..	..	..	..
	4,635	31.35	4,635	0.47	100.00	2.51
Animals and produce—						
Bacon and hams .. .	..	..	..	..	..	..
Beef and pork, salted ..	..	..	..	..	..	..
Butter .. .. .	..	..	..	..	..	..
Cheese .. .. .	..	..	..	..	..	..
Hides	1,330	8.99	1,330	0.14	100.00	4.97
Live-stock	335	2.27	340	0.03	98.53	3.69
Meats—						
Preserved	831	5.62	4,503	0.46	18.45	3.45
Frozen .. .. .	..	..	195,655	19.82	..	..
Sausage-skins .. .. .	..	..	3,454	0.35	..	..
Skins—						
Rabbit .. .. .	..	..	..	..	..	..
Sheep, and pelts .. .	297	2.01	11,482	1.16	2.59	8.36
Tallow	2,882	19.50	30,785	3.12	9.36	11.08
Wool	240	1.62	730,158	73.96	0.03	0.94
Other kinds	121	0.82	142	0.01	85.21	3.66
	6,036	40.83	977,849	99.05	0.62	2.43
Agricultural products—						
Bran and sharps .. .. .	..	..	..	..	..	..
Chaff .. .. .	..	..	..	..	..	..
Flour .. .. .	..	..	..	..	..	..
Grain—						
Barley	660	4.47	660	0.07	100.00	3.88
Beans and peas .. .. .	..	..	..	..	..	..
Maize	363	2.46	363	0.04	100.00	1.46
Malt .. .. .	..	..	..	..	..	..
Oats .. .. .	..	..	..	..	..	..
Wheat .. .. .	..	..	..	..	..	..
Hops .. .. .	..	..	..	..	..	..
Oatmeal.. .. .	..	..	..	..	..	..
Potatoes.. .. .	721	4.88	721	0.07	100.00	1.96
Seeds, grass and clover ..	504	3.41	821	0.08	61.38	3.21
Other kinds	34	0.23	34	..	100.00	0.36
	2,282	15.45	2,599	0.26	87.80	0.52
Manufactures—						
Apparel .. .. .	..	..	..	..	..	..
Leather .. .. .	..	..	306	0.03	..	..
Phormium .. .. .	..	..	..	..	..	..
Woollens .. .. .	..	..	..	..	..	..
Other kinds	616	4.16	625	0.06	98.56	1.49
	616	4.16	931	0.09	66.16	0.67
Miscellaneous .. .. .	..	..	..	..	..	..
Total exports (colonial produce and manufactures)	14,782	100.00	987,258	100.00	1.49	0.90

EXHIBIT No. 15—continued.

RETURN SHOWING THE VALUE OF PRINCIPAL ITEMS OF EXPORTS TO (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899—continued.

Provincial District of Taranaki.

Groups of Principal Items exported.	Taranaki Exports to Commonwealth.	Proportion per Cent.	Total Taranaki Exports.	Proportion per Cent.	Proportion of Taranaki Exports to Commonwealth—	
					To Total Taranaki Exports.	To New Zealand Exports to Commonwealth.
The mine—	£		£			
Coal .. .. .	..	..	..	..	..	..
Gold .. .. .	..	..	..	..	..	..
Silver .. .. .	..	..	..	..	..	..
Minerals	1	..	1	..	100·00	0·02
	1	..	1	..	100·00	..
The fisheries—						
Fish .. .. .	..	..	..	..	..	..
Oysters .. .. .	..	..	..	..	..	..
Other kinds .. .. .	..	..	..	..	..	..

The forest—						
Fungus	3,250	7·50	4,811	1·04	67·55	88·72
Gum, kauri .. .. .	..	..	..	..	..	..
Timber, sawn and hewn .. .. .	..	..	..	..	..	..
Other kinds .. .. .	..	..	..	..	..	..
	3,250	7·50	4,811	1·04	67·55	1·76
Animals and produce—						
Bacon and hams	1,320	3·04	1,335	0·28	97·41	11·87
Beef and pork, salted .. .. .	..	..	..	..	..	..
Butter	28,736	66·20	312,217	67·44	9·20	49·97
Cheese	8,584	19·77	35,455	7·66	24·21	14·81
Hides	465	1·07	550	0·12	84·54	1·74
Live-stock .. .. .	..	..	10	..	..	..
Meats—						
Preserved	231	0·53	7,810	1·69	2·96	0·95
Frozen .. .. .	..	..	37,253	8·04	..	..
Sausage-skins .. .. .	..	..	..	..	..	..
Skins—						
Rabbit .. .. .	..	..	..	..	..	..
Sheep, and pelts .. .. .	..	..	..	..	..	..
Tallow	12	0·03	9,661	2·09	0·12	0·05
Wool	91	0·21	53,002	11·47	0·17	0·36
Other kinds	244	0·56	244	0·05	100·00	7·38
	39,683	91·41	457,537	98·84	8·67	16·01
Agricultural products—						
Bran and sharps .. .. .	..	..	..	..	..	..
Chaff .. .. .	..	..	..	..	..	..
Flour .. .. .	..	..	..	..	..	..
Grain—						
Barley .. .. .	..	..	..	..	..	..
Beans and peas .. .. .	..	..	..	..	..	..
Maize .. .. .	..	..	..	..	..	..
Malt .. .. .	..	..	..	..	..	..
Oats .. .. .	..	..	..	..	..	..
Wheat .. .. .	..	..	..	..	..	..
Hops .. .. .	..	..	..	..	..	..
Oatmeal .. .. .	..	..	..	..	..	..
Potatoes	12	0·03	12	..	100·00	0·03
Seeds, grass and clover .. .. .	..	..	..	..	..	..
Other kinds .. .. .	..	..	..	..	..	..
	12	0·03	12	..	100·00	..
Manufactures—						
Apparel .. .. .	..	..	11	..	..	..
Leather .. .. .	..	..	130	0·03	..	..
Phormium	390	0·89	390	0·08	100·00	1·37
Woollens .. .. .	..	..	..	..	..	..
Other kinds	62	0·14	62	0·01	100·00	0·15
	452	1·03	593	0·12	..	0·49
Miscellaneous	14	0·03	14	..	100·00	..
Total exports (colonial produce and manufactures)	43,412	100·00	462,968	100·00	9·37	2·64

EXHIBIT No. 15—continued.

RETURN SHOWING THE VALUE OF PRINCIPAL ITEMS OF EXPORTS TO (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899—continued.

Provincial District of Marlborough.

Groups of Principal Items exported.	Marlborough Exports to Commonwealth.	Proportion per Cent.	Total Marlborough Exports.	Proportion per Cent.	Proportion of Marlborough Exports to Commonwealth—	
					To Total Marlborough Exports.	To New Zealand Exports to Commonwealth.
The mine—	£		£			
Coal .. .. .	..	..	..	..	..	..
Gold .. .. .	..	..	..	..	..	..
Silver .. .. .	..	..	..	..	..	..
Minerals .. .. .	..	..	..	..	..	..

The fisheries—						
Fish .. .. .	..	..	..	..	..	..
Oysters .. .. .	..	..	..	..	..	..
Other kinds .. .. .	..	..	465	0·31	..	..
	..	..	465	0·31	..	..
The forest—						
Fungus .. .. .	..	..	..	..	..	..
Gum, kauri .. .. .	..	..	..	..	..	..
Timber, sawn and hewn .. .. .	..	..	..	..	..	..
Other kinds .. .. .	..	..	..	..	..	..

Animals and produce—						
Bacon and hams .. .. .	..	..	..	..	..	..
Beef and pork, salted .. .. .	..	..	..	..	..	..
Butter .. .. .	..	..	839	0·56	..	..
Cheese	48	1·07	123	0·08	39·02	0·08
Hides	39	0·87	39	0·03	100·00	0·15
Live-stock .. .. .	..	..	..	..	..	..
Meats—						
Preserved .. .. .	..	..	..	..	..	..
Frozen .. .. .	..	..	15,564	10·41	..	..
Sausage-skins .. .. .	..	..	..	..	..	..
Skins—						
Rabbit .. .. .	..	..	246	0·16	..	..
Sheep, and pelts .. .. .	..	..	4,833	3·23	..	..
Tallow .. .. .	..	..	1,400	0·94	..	..
Wool	902	20·15	115,757	77·42	0·77	3·54
Other kinds .. .. .	..	..	11	0·01	..	..
	989	22·09	138,812	92·84	0·71	0·40
Agricultural products—						
Bran and sharps .. .. .	..	..	..	..	..	..
Chaff .. .. .	..	..	..	..	..	..
Flour .. .. .	..	..	..	..	..	..
Grain—						
Barley	77	1·72	77	0·05	100·00	0·45
Beans and peas	595	13·29	2,348	1·57	25·34	11·96
Maize .. .. .	..	..	..	..	..	..
Malt	322	7·20	322	0·22	100·00	0·79
Oats .. .. .	..	..	..	..	..	..
Wheat .. .. .	..	..	399	0·27	..	..
Hops .. .. .	..	..	..	..	..	..
Oatmeal .. .. .	..	..	..	..	..	..
Potatoes	185	4·13	185	0·12	100·00	0·50
Seeds, grass and clover .. .. .	..	..	..	..	..	..
Other kinds	144	3·22	144	0·09	100·00	1·53
	1,323	29·56	3,475	2·32	38·07	0·30
Manufactures—						
Apparel .. .. .	..	..	..	..	..	..
Leather .. .. .	..	..	..	..	..	..
Phormium	2,047	46·34	6,687	4·47	31·01	7·28
Woollens .. .. .	..	..	..	..	..	..
Other kinds .. .. .	..	..	..	..	..	..
	2,074	46·34	6,687	4·47	31·01	2·25
Miscellaneous	90	2·01	90	0·06	100·00	..
Total exports (colonial produce and manufactures)	4,476	100·00	149,529	100·00	2·99	0·27

EXHIBIT No. 15—continued.

RETURN SHOWING THE VALUE OF PRINCIPAL ITEMS OF EXPORTS TO (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899—continued.

Provincial District of Nelson.

Groups of Principal Items exported.	Nelson Exports to Commonwealth.	Proportion per Cent.	Total Nelson Exports.	Proportion per Cent.	Proportion of Nelson Exports to Commonwealth—	
					To Total Nelson Exports.	To New Zealand Exports to Commonwealth.
The mine—	£		£			
Coal	432	0·79	5,641	5·19	7·66	9·32
Gold	24,635	45·27	26,779	24·66	91·99	3·82
Silver .. .. .	..	..	..	..	..	..
Minerals.. .. .	..	..	..	..	..	..
	25,067	46·06	32,420	29·85	77·32	3·82
The fisheries—						
Fish	685	1·26	685	0·63	100·00	3·62
Oysters .. .. .	..	..	..	..	..	..
Other kinds .. .. .	..	..	..	..	..	..
	685	1·26	685	0·63	100·00	3·22
The forest—						
Fungus .. .. .	..	..	..	..	..	..
Gum, kauri .. .. .	..	..	..	..	..	..
Timber, sawn and hewn .. .. .	..	..	..	..	..	..
Other kinds	53	0·10	103	0·09	51·45	7·97
	53	0·10	103	0·09	51·45	0·03
Animals and produce—						
Bacon and hams .. .. .	..	..	..	..	..	..
Beef and pork, salted	15	0·03	15	0·01	100·00	4·68
Butter .. .. .	..	..	1,766	1·63	..	..
Cheese .. .. .	..	..	..	..	..	..
Hides	1,726	3·17	1,726	1·59	100·00	6·45
Live-stock	9	0·02	9	0·01	100·00	0·09
Meats—						
Preserved	295	0·54	295	0·27	100·00	1·22
Frozen .. .. .	..	..	..	..	..	..
Sausage-skins .. .. .	..	..	..	..	..	..
Skins—						
Rabbit .. .. .	..	..	23	0·02	..	..
Sheep, and pelts .. .. .	..	..	1,296	1·19	..	..
Tallow .. .. .	..	..	..	..	..	..
Wool	395	0·73	39,416	36·31	1·00	1·55
Other kinds .. .. .	..	..	..	..	..	..
	2,440	4·49	44,546	41·03	5·48	0·98
Agricultural products—						
Bran and sharps .. .. .	..	..	..	..	..	..
Chaff .. .. .	..	..	..	..	..	..
Flour .. .. .	..	..	..	..	..	..
Grain—						
Barley	233	0·43	233	0·22	100·00	1·37
Beans and peas .. .. .	..	..	..	..	..	..
Maize .. .. .	..	..	..	..	..	..
Malt .. .. .	..	..	..	..	..	..
Oats .. .. .	..	..	..	..	..	..
Wheat .. .. .	..	..	..	..	..	..
Hops	25,044	46·02	28,711	26·44	87·23	98·68
Oatmeal .. .. .	..	..	..	..	..	..
Potatoes	101	0·19	101	0·09	100·00	0·27
Seeds, grass and clover .. .. .	..	..	..	..	..	..
Other kinds	197	0·36	298	0·28	100·00	2·10
	25,575	47·00	29,343	27·03	87·16	5·85
Manufactures—						
Apparel .. .. .	..	..	..	..	..	..
Leather .. .. .	..	..	57	0·05	..	..
Phormium	450	0·83	1,225	1·13	36·73	1·58
Woollens .. .. .	..	..	..	..	..	..
Other kinds	142	0·26	192	0·18	73·96	0·35
	592	1·09	1,474	1·36	40·16	0·64
Miscellaneous	5	..	15	0·01	33·33	..
Total exports (colonial produce and manufactures)	54,417	100·00	108,586	100·00	50·11	3·31

EXHIBIT No. 15—continued.

RETURN SHOWING THE VALUE OF PRINCIPAL ITEMS OF EXPORTS TO (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899—continued.

Provincial District of Westland.

Groups of Principal Items exported.	Westland Exports to Commonwealth.	Proportion per Cent.	Total Westland Exports.	Proportion per Cent.	Proportion of Westland Exports to Commonwealth—	
					To Total Westland Exports.	To New Zealand Exports to Commonwealth.
The mine—	£		£			
Coal	204,459	96·05	334,943	97·48	61·04	31·65
Gold .. .. .	..	..	..	..	..	..
Silver .. .. .	..	..	..	..	..	..
Minerals	75	0·04	304	0·09	24·67	1·33
	204,534	96·09	335,247	97·57	61·01	31·14
The fisheries—						
Fish	370	0·17	370	0·11	100·00	1·96
Oysters .. .. .	..	..	..	..	..	..
Other kinds .. .. .	..	..	..	..	..	..
	370	0·17	370	0·11	100·00	1·74
The forest—						
Fungus .. .. .	..	..	..	..	..	..
Gum, kauri .. .. .	..	..	..	..	..	..
Timber, sawn and hewn	4,900	2·30	4,900	1·45	100·00	2·75
Other kinds .. .. .	..	..	..	..	..	..
	4,900	2·30	4,900	1·45	100·00	2·66
Animals and produce—						
Bacon and hams .. .. .	..	..	..	..	..	..
Beef and pork, salted .. .. .	..	..	..	..	..	..
Butter .. .. .	..	..	..	..	..	..
Cheese .. .. .	..	..	..	..	..	..
Hides	2,818	1·32	2,818	0·82	100·00	10·53
Live-stock	30	0·01	30	..	100·00	0·33
Meats—						
Preserved	26	0·01	26	..	100·00	0·11
Frozen .. .. .	..	..	..	..	..	..
Sausage-skins .. .. .	..	..	..	..	..	..
Skins—						
Rabbit .. .. .	..	..	..	..	..	..
Sheep, and pelts	9	..	9	..	100·00	0·26
Tallow	55	0·03	55	0·01	100·00	0·21
Wool	101	0·05	101	0·03	100·00	0·39
Other kinds	42	0·02	42	0·01	100·00	1·27
	3,081	1·44	3,081	0·87	100·00	1·24
Agricultural products—						
Bran and sharps .. .. .	..	..	..	..	..	..
Chaff .. .. .	..	..	..	..	..	..
Flour .. .. .	..	..	..	..	..	..
Grain—						
Barley .. .. .	..	..	..	..	..	..
Beans and peas .. .. .	..	..	..	..	..	..
Maize .. .. .	..	..	..	..	..	..
Malt .. .. .	..	..	..	..	..	..
Oats .. .. .	..	..	..	..	..	..
Wheat .. .. .	..	..	..	..	..	..
Hops .. .. .	..	..	..	..	..	..
Oatmeal .. .. .	..	..	..	..	..	..
Potatoes .. .. .	..	..	..	..	..	..
Seeds, grass and clover .. .. .	..	..	..	..	..	..
Other kinds .. .. .	..	..	..	..	..	..

Manufactures—						
Apparel .. .. .	..	..	..	..	..	..
Leather .. .. .	..	..	..	..	..	..
Phormium .. .. .	..	..	..	..	..	..
Woollens .. .. .	..	..	..	..	..	..
Other kinds .. .. .	..	..	9	..	..	..
	..	..	9	..	..	..
Miscellaneous .. .. .	..	..	1	..	..	..
Total exports (colonial produce and manufactures)	212,885	100·00	343,608	100·00	61·95	12·97

EXHIBIT No. 16.

RETURN SHOWING VALUES OF PRINCIPAL ITEMS OF EXPORTS FROM NEW ZEALAND TO (1) THE COMMONWEALTH, AND (2) THE WORLD, FOR 1899 (Specie and Foreign Produce excluded).

Groups of Principal Articles exported.	New Zealand Exports to Commonwealth.	Proportion per Cent.	Total New Zealand Exports.	Proportion per Cent.	Proportion of New Zealand Exports to Commonwealth to Total New Zealand Exports.
The mine—	£		£		
Coal	4,638	0·28	83,085	0·70	5·58
Gold	645,850	39·23	1,513,180	12·82	42·68
Silver	593	0·04	40,838	0·35	1·45
Minerals	5,629	0·34	6,998	0·06	80·45
	656,710	39·89	1,644,101	13·93	39·94
The fisheries—					
Fish	18,961	1·15	21,265	0·18	89·16
Oysters	2,128	0·13	2,128	0·02	100·00
Other kinds	168	0·01	815	..	20·61
	21,257	1·29	24,208	0·20	87·81
The forest—					
Fungus	3,663	0·22	10,593	0·09	34·58
Gum, kauri	1,966	0·12	607,919	5·15	0·32
Timber, sawn and hewn	178,399	10·84	196,749	1·67	90·68
Other kinds	665	0·04	2,482	0·02	26·78
	184,693	11·22	817,743	6·93	22·59
Animals and produce—					
Bacon and hams	11,119	0·68	14,364	0·12	77·41
Beef and pork, salted	321	0·02	7,831	0·06	4·09
Butter	57,506	3·49	571,799	4·85	10·06
Cheese	57,985	3·52	141,818	1·22	40·88
Hides	26,763	1·63	36,095	0·31	74·14
Live-stock	9,087	0·55	22,689	0·19	40·05
Meats—					
Preserved	24,120	1·47	90,910	0·77	26·53
Frozen	2	..	2,088,856	17·70	..
Sausage-skins	791	0·05	42,823	0·36	1·84
Skins—					
Rabbit	1,838	0·11	81,118	0·69	2·27
Sheep, and pelts	3,552	0·22	268,230	2·27	1·33
Tallow	26,009	1·58	311,649	2·64	8·34
Wool	25,460	1·55	4,324,627	36·65	0·59
Other kinds	3,305	0·20	6,927	0·06	4·77
	247,858	15·07	8,009,736	67·89	3·09
Agricultural products—					
Bran and sharps	18,010	1·09	19,736	0·17	91·25
Chaff	109	0·01	109	..	100·00
Flour	8,272	0·50	10,299	0·08	80·31
Grain—					
Barley	17,007	1·03	17,816	0·15	95·46
Beans and peas	4,975	0·30	12,835	0·11	38·76
Maize	24,917	1·51	25,024	0·21	99·57
Malt	41,253	2·51	41,253	0·35	100·00
Oats	180,712	10·98	286,102	2·42	63·16
Wheat	37,047	2·25	338,476	2·87	10·95
Hops	25,378	1·54	29,045	0·25	87·37
Oatmeal	16,924	1·03	16,968	0·14	99·74
Potatoes	36,894	2·24	39,618	0·33	93·12
Seeds, grass and clover	15,734	0·96	61,974	0·52	25·39
Other kinds	9,363	0·57	14,423	0·12	64·92
	436,595	26·52	913,678	7·72	47·78
Manufactures—					
Apparel	1,572	0·10	3,328	0·03	47·23
Leather	14,683	0·89	98,319	0·83	14·93
Phormium	28,524	1·73	184,411	1·56	15·47
Woolens	8,053	0·49	11,014	0·09	73·11
Other kinds	41,543	2·52	80,994	0·69	51·29
	94,375	5·73	378,066	3·20	24·96
Miscellaneous, including parcels post ..	4,681	0·28	12,208	0·13	38·34
Total exports (colonial produce and manufactures)	1,646,169	100·00	11,799,740	100·00	13·95

EXHIBIT No. 17.

RETURN SHOWING THE VALUES OF PRINCIPAL ITEMS OF IMPORTS FROM (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899 (Specie and parcels post excluded).

Provincial District of Auckland.

Groups of Principal Items imported.	Auckland Imports from Commonwealth.	Proportion per Cent.	Total Auckland Imports.	Proportion per Cent.	Proportion of Auckland Imports from Commonwealth—	
					To Total Auckland Imports.	To New Zealand Imports from Commonwealth.
	£		£			
Apparel and slops ...	3,738	1.45	97,846	4.44	3.82	40.46
Boots and shoes ...	2,933	1.14	35,950	1.63	8.16	29.64
Cotton piece-goods ...	2,971	1.15	126,571	5.75	2.35	29.46
Drapery ...	1,784	0.69	76,386	3.47	2.34	28.60
Haberdashery ...	925	0.36	12,946	0.59	7.15	15.76
Hats and caps ...	648	0.25	25,223	1.14	2.57	44.97
Hosiery ...	550	0.21	29,728	1.35	1.85	51.72
Linen manufactures ...	633	0.24	25,213	1.14	2.51	57.65
Millinery ...	1,182	0.46	8,073	0.37	14.64	57.45
Silks ...	1,923	0.75	28,109	1.28	6.84	38.33
Woollens ...	6,726	2.61	93,116	4.23	7.22	38.84
Totals ...	24,013	9.31	559,161	25.39	4.29	34.64
Agricultural implements ...	1,144	0.44	12,473	0.57	9.17	19.79
Cutlery ...	269	0.10	7,324	0.33	3.67	48.74
Hardware and ironmongery ...	3,263	1.27	56,895	2.58	5.74	29.96
Rails and railway bolts, &c. ...	250	0.10	6,904	0.31	3.62	14.50
Iron and steel, other, pig, wrought, wire, &c. ...	4,641	1.80	126,844	5.76	3.66	22.07
Machinery ...	9,658	3.75	85,016	3.86	11.36	19.73
Nails ...	219	0.08	6,886	0.31	3.18	22.27
Railway plant ...	51	0.02	5,374	0.25	0.95	100.00
Sewing-machines ...	608	0.23	8,004	0.36	7.60	10.93
Tools, artificers' ...	479	0.19	22,628	1.03	2.12	14.28
Totals ...	20,582	7.98	338,348	15.36	6.08	20.82
Sugar ...	5,461	2.12	223,219	10.14	2.45	4.17
Tea ...	7,728	2.99	34,389	1.56	22.47	18.37
Totals ...	13,189	5.11	257,608	11.70	5.12	7.62
Beer ...	368	0.14	6,599	0.30	5.58	37.59
Spirits ...	4,701	1.83	36,684	1.66	12.82	22.82
Tobacco ...	5,308	2.06	73,159	3.32	7.26	21.95
Wine ...	3,254	1.26	7,159	0.33	45.45	15.67
Totals ...	13,631	5.29	123,601	5.61	11.03	20.49
Paper ...	1,389	0.54	33,991	1.55	4.08	20.37
Printed books ...	6,959	2.70	24,751	1.12	28.12	24.52
Stationery ...	2,117	0.82	25,815	1.17	8.21	20.69
Totals ...	10,465	4.06	84,557	3.84	12.38	23.03
Bags and sacks ...	182	0.07	9,969	0.45	1.83	2.58
Coals ...	17,249	6.69	17,249	0.79	100.00	18.72
Fancy goods ...	1,928	0.75	23,852	1.08	8.08	27.87
Fruits (including fresh, preserved, bottled, and dried) ...	9,646	3.74	55,739	2.53	17.31	15.95
Oils ...	4,410	1.71	26,393	1.20	16.71	20.95
Totals ...	33,415	12.96	133,202	6.05	25.09	17.81
Other imports (excluding specie and parcels post)	142,592	55.29	705,835	32.05	20.22	25.53
Total imports (excluding specie and parcels post)	257,887	100.00	2,202,312	100.00	11.71	21.50

EXHIBIT No. 17—*continued.*RETURN SHOWING THE VALUES OF PRINCIPAL ITEMS OF IMPORTS FROM (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899—*continued.**Provincial District of Wellington.*

Groups of Principal Items imported.	Wellington Imports from Commonwealth.	Proportion per Cent.	Total Wellington Imports.	Proportion per Cent.	Proportion of Wellington Imports from Commonwealth—	
					To Total Wellington Imports.	To New Zealand Imports from Commonwealth.
	£		£			
Apparel and slops ...	1,722	0·67	107,607	4·94	1·60	18·64
Boots and shoes ...	3,769	1·47	45,715	2·10	8·24	38·08
Cotton piece-goods ...	2,996	1·16	106,347	4·88	2·82	29·69
Drapery ...	1,680	0·65	108,014	4·95	1·55	26·93
Haberdashery ...	2,664	1·04	38,289	1·76	6·96	45·45
Hats and caps ...	303	0·12	16,025	0·73	1·89	21·03
Hosiery ...	253	0·10	23,628	1·08	1·07	23·86
Linen manufactures ...	368	0·14	11,759	0·54	3·13	33·51
Millinery ...	112	0·04	8,874	0·40	1·26	5·44
Silks ...	907	0·35	21,293	0·98	4·26	18·00
Woollens ...	2,153	0·84	59,085	2·71	3·64	12·44
Totals ...	16,927	6·58	546,636	25·07	3·10	24·42
Agricultural implements ...	717	0·28	15,256	0·70	4·70	12·56
Cutlery ...	42	0·02	4,147	0·19	1·01	7·58
Hardware and ironmongery ...	2,821	1·09	65,998	3·03	4·27	25·90
Rails and railway bolts, &c. ...	...	...	35,222	1·62	...	...
Iron and steel, other, pig, wrought, wire, &c. ...	4,620	1·79	206,080	9·45	2·24	21·97
Machinery ...	12,733	4·95	68,803	3·16	18·51	26·01
Nails ...	176	0·07	10,820	0·49	1·63	17·82
Railway plant ...	...	...	13,024	0·60	...	...
Sewing-machines ...	3,261	1·27	10,138	0·46	32·17	58·59
Tools, artificers' ...	686	0·27	26,761	1·23	2·56	20·45
Totals ...	25,056	9·74	456,249	20·93	5·49	25·35
Sugar ...	15,541	6·04	15,850	0·73	98·05	11·85
Tea ...	16,890	6·57	64,430	2·95	26·21	40·15
Totals ...	32,431	12·61	80,280	3·68	40·40	18·73
Beer ...	398	0·15	15,979	0·73	2·49	40·65
Spirits ...	4,518	1·76	55,493	2·55	8·14	21·93
Tobacco ...	6,855	2·67	36,338	1·67	18·86	28·35
Wine ...	5,652	2·20	15,198	0·69	37·19	27·20
Totals ...	17,423	6·78	123,008	5·64	14·16	26·19
Paper ...	2,837	1·10	39,751	1·82	7·14	41·59
Printed books ...	8,378	3·26	41,432	1·90	20·22	29·52
Stationery ...	3,702	1·44	35,152	1·61	10·53	36·17
Totals ...	14,917	5·80	116,335	5·33	12·82	32·84
Bags and sacks ...	713	0·28	9,053	0·41	7·88	10·11
Coals ...	10,296	4·00	10,296	0·47	100·00	11·17
Fancy goods ...	2,414	0·94	29,720	1·36	8·12	34·89
Fruits (including fresh, preserved, bottled, and dried) ...	17,533	6·82	54,674	2·51	32·07	28·99
Oils ...	4,689	1·82	31,254	1·44	15·00	22·28
Totals ...	35,645	13·86	134,997	6·19	26·40	18·99
Other imports (excluding parcels post and specie)	114,778	44·63	722,957	33·16	15·88	20·56
Total imports (excluding specie and parcels post)	257,177	100·00	2,180,462	100·00	11·79	21·45

EXHIBIT No. 17—*continued.*RETURN SHOWING THE VALUES OF PRINCIPAL ITEMS OF IMPORTS FROM (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899—*continued.**Provincial District of Canterbury.*

Groups of Principal Items imported.	Canterbury Imports from Commonwealth.	Proportion per Cent.	Total Canterbury Imports.	Proportion per Cent.	Proportion of Canterbury Imports from Commonwealth—	
					To Total Canterbury Imports.	To New Zealand Imports from Commonwealth.
	£		£			
Apparel and slops ...	1,332	0·49	62,438	3·98	2·13	14·42
Boots and shoes... ..	1,252	0·46	31,874	2·04	3·93	12·66
Cotton piece-goods ...	2,062	0·75	76,064	4·85	2·71	20·44
Drapery	1,099	0·40	70,773	4·51	1·55	17·61
Haberdashery	1,024	0·37	17,494	1·12	5·85	17·50
Hats and caps	233	0·09	9,520	0·61	2·45	16·17
Hosiery	78	0·03	15,416	0·98	0·51	7·27
Linen manufactures ...	90	0·03	15,092	0·96	0·60	8·20
Millinery	255	0·09	8,136	0·52	3·13	12·37
Silks	1,419	0·52	21,282	1·36	6·67	28·27
Woollens	3,263	1·19	44,365	2·83	7·36	18·84
Totals	12,107	4·42	372,454	23·76	3·25	17·47
Agricultural implements ...	1,501	0·55	29,455	1·88	5·10	26·13
Cutlery... ..	77	0·03	2,341	0·15	3·29	13·89
Hardware and ironmongery	1,866	0·68	38,368	2·45	4·86	17·13
Rails, railway bolts, &c. ...	31	0·01	4,200	0·27	0·76	1·80
Iron and steel, other, pig, wrought, wire, &c.	1,377	0·50	115,378	7·36	1·19	6·55
Machinery	8,481	3·10	56,006	3·57	15·14	17·33
Nails	84	0·03	4,059	0·26	2·07	8·50
Railway plant ... ..	...	...	45,390	2·89	...	...
Sewing-machines	711	0·26	4,065	0·26	17·49	12·78
Tools, artificers'	218	0·08	12,768	0·81	1·71	6·51
Totals	14,346	5·24	312,030	19·90	4·60	14·51
Sugar	41,904	15·30	44,172	2·81	94·86	31·97
Tea	8,123	2·97	26,301	1·68	30·88	19·31
Totals	50,027	18·27	70,473	4·49	70·99	28·89
Beer	18	0·01	4,796	0·31	0·38	1·84
Spirits	3,490	1·27	40,665	2·59	8·58	16·94
Tobacco	3,140	1·15	18,955	1·21	16·68	12·99
Wine	2,923	1·07	10,576	0·67	27·64	14·07
Totals	9,571	3·50	74,992	4·78	12·77	14·38
Paper	732	0·27	27,528	1·76	2·66	10·73
Printed books	3,359	1·22	20,503	1·31	16·38	11·84
Stationery	1,308	0·48	14,944	0·95	8·75	12·78
Totals	5,399	1·97	62,975	4·02	8·57	11·88
Bags and sacks	747	0·28	54,198	3·46	1·38	10·60
Coals	50,908	18·59	50,908	3·25	100·00	55·24
Fancy goods	899	0·33	14,678	0·94	6·12	13·00
Fruits (including fresh, pre- served, bottled, and dried)	8,074	2·95	20,959	1·33	38·52	13·35
Oils	3,786	1·38	21,852	1·39	17·33	17·98
Totals	64,414	23·53	162,595	10·37	39·62	34·32
Other imports (excluding parcels post and specie)	117,934	43·07	512,485	32·68	23·01	21·13
Total imports (excluding specie and parcels post)	273,798	100·00	1,568,004	100·00	17·46	22·83

EXHIBIT No. 17—continued.

RETURN SHOWING THE VALUES OF PRINCIPAL ITEMS OF IMPORTS FROM (1) THE COMMONWEALTH, AND (2) THE WORLD, FOR 1899—continued.

Provincial District of Otago.

Groups of Principal Items imported.	Otago Imports from Commonwealth.	Proportion per Cent.	Total Otago Imports.	Proportion per Cent.	Proportion of Otago Imports from Commonwealth—	
					To Total Otago Imports.	To New Zealand Imports from Commonwealth.
	£		£			
Apparel and slops ...	2,090	0.65	103,955	4.99	2.01	22.62
Boots and shoes ...	1,753	0.55	32,149	1.54	5.45	17.70
Cotton piece-goods ...	1,791	0.56	108,839	5.23	1.65	17.75
Drapery ...	1,237	0.39	118,576	5.69	1.05	19.82
Haberdashery ...	1,167	0.36	14,214	0.68	8.02	19.88
Hats and caps ...	242	0.08	13,219	0.63	1.83	16.79
Hosiery ...	130	0.04	16,184	0.78	0.80	12.30
Linen manufactures ...	7	...	10,916	0.53	...	0.64
Millinery ...	471	0.15	10,780	0.52	4.37	22.85
Silks ...	651	0.20	15,887	0.77	4.10	12.92
Woollens ...	4,585	1.44	69,065	3.32	6.64	26.48
Totals ...	14,124	4.42	513,784	24.68	2.75	20.36
Agricultural implements ...	2,020	0.63	48,599	2.33	4.16	35.17
Cutlery ...	149	0.05	4,237	0.20	3.51	26.90
Hardware and ironmongery ...	2,287	0.72	46,410	2.23	4.93	20.99
Rails and railway bolts, &c. ...	1,443	0.45	15,114	0.73	9.55	83.70
Iron and steel, other, pig, wrought, wire, &c. ...	8,883	2.78	164,700	7.91	5.40	42.21
Machinery ...	11,936	3.74	81,750	3.93	14.60	24.38
Nails ...	351	0.11	6,925	0.33	5.07	35.73
Railway plant ...	...	...	7	...	...	...
Sewing-machines ...	975	0.30	7,597	0.37	12.84	17.51
Tools, artificers' ...	1,530	0.48	21,890	1.05	6.99	45.51
Totals ...	29,574	9.26	397,229	19.08	7.45	29.92
Sugar ...	66,554	20.84	69,887	3.36	95.23	50.77
Tea ...	7,307	2.29	48,193	2.31	15.16	17.37
Totals ...	73,861	23.13	118,080	5.67	62.55	42.65
Beer ...	81	0.03	7,484	0.36	1.08	8.27
Spirits ...	3,996	1.25	59,942	2.88	6.66	19.39
Tobacco ...	4,872	1.52	39,506	1.89	12.33	20.15
Wine ...	5,019	1.57	12,170	0.59	41.24	24.16
Totals ...	13,968	4.37	119,102	5.72	11.73	20.98
Paper ...	1,745	0.55	26,358	1.27	6.62	25.58
Printed books ...	7,553	2.36	33,622	1.61	22.47	26.62
Stationery ...	2,623	0.82	21,280	1.02	12.33	25.63
Totals ...	11,921	3.73	81,260	3.90	14.67	26.24
Bags and sacks ...	5,283	1.66	47,473	2.28	11.13	74.95
Coals ...	6,787	2.12	6,837	0.33	97.81	7.36
Fancy goods ...	911	0.29	36,151	1.73	2.52	13.17
Fruits (including fresh, preserved, bottled, and dried) ...	19,620	6.14	38,038	1.83	51.58	32.44
Oils ...	6,895	2.16	38,484	1.85	17.92	32.75
Totals ...	39,496	12.37	166,983	8.02	23.65	21.05
Other imports (excluding specie and parcels post)	136,444	42.72	685,779	32.93	19.90	24.44
Total imports (excluding specie and parcels post)	319,388	100.00	2,082,217	100.00	15.34	26.63

EXHIBIT No. 17—*continued.*RETURN SHOWING THE VALUES OF PRINCIPAL ITEMS OF IMPORTS FROM (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899—*continued.**Provincial District of Hawke's Bay.*

Groups of Principal Items imported.	Hawke's Bay Imports from Commonwealth.	Proportion per Cent.	Total Hawke's Bay Imports.	Proportion per Cent.	Proportion of Hawke's Bay Imports from Commonwealth—	
					To Total Hawke's Bay Imports.	To New Zealand Imports from Commonwealth.
Apparel and slops ...	£ 240	0·68	£ 7,169	3·37	3·35	2·60
Boots and shoes ...	165	0·47	2,244	1·06	7·35	1·67
Cotton piece-goods ...	224	0·64	10,318	4·85	2·17	2·22
Drapery ...	362	1·03	5,255	2·47	6·89	5·80
Haberdashery ...	35	0·10	1,110	0·52	3·15	0·60
Hats and caps ...	15	0·04	1,675	0·79	0·90	1·04
Hosiery ...	25	0·07	2,002	0·94	1·25	2·33
Linen manufactures ...	...	...	4,369	2·05	...	...
Millinery ...	39	0·11	557	0·26	7·00	1·89
Silks ...	76	0·22	1,269	0·60	5·99	1·51
Woollens ...	568	1·61	5,594	2·62	10·15	3·28
Totals ...	1,749	4·97	41,562	19·53	4·28	2·53
Agricultural implements ...	159	0·45	1,815	0·85	8·76	2·79
Cutlery ...	11	0·03	893	0·42	1·23	1·99
Hardware and ironmongery	368	1·05	7,686	3·61	4·79	3·37
Rails and railway bolts, &c.	...	...	...	...	...	...
Iron and steel, other, pig, wrought, wire, &c.	713	2·03	20,523	9·64	3·48	3·40
Machinery ...	736	2·09	6,046	2·84	12·17	1·50
Nails ...	93	0·26	1,206	0·57	7·71	9·41
Railway plant ...	...	...	...	...	...	...
Sewing-machines ...	7	0·02	354	0·17	1·98	0·13
Tools, artificers' ...	75	0·22	4,421	2·07	1·48	2·26
Totals ...	2,162	6·15	42,944	20·17	5·03	2·19
Sugar ...	9	0·02	32	0·01	28·12	0·01
Tea ...	102	0·29	2,504	1·18	4·07	0·24
Totals ...	111	0·31	2,536	1·19	4·38	0·06
Beer ...	77	0·22	2,316	1·09	3·32	7·87
Spirits ...	2,171	6·17	12,622	5·93	17·20	10·54
Tobacco ...	1,249	3·55	6,230	2·93	20·05	5·16
Wine ...	1,275	3·63	3,287	1·54	38·79	6·14
Totals ...	4,772	13·57	24,455	11·49	19·51	7·17
Paper ...	20	0·06	1,695	0·80	1·18	0·29
Printed books ...	428	1·22	4,314	2·03	9·92	1·51
Stationery ...	254	0·72	1,817	0·85	13·98	2·48
Totals ...	702	2·00	7,826	3·68	8·97	1·55
Bags and sacks ...	...	...	1,853	0·87	...	...
Coals ...	5,973	16·98	5,973	2·80	100·00	6·48
Fancy goods ...	241	0·68	2,063	0·97	11·68	3·48
Fruits (including fresh, preserved, bottled, and dried)	2,861	8·16	4,370	2·05	65·47	4·73
Oils ...	721	2·04	3,700	1·74	19·49	3·42
Totals ...	9,796	27·86	17,959	8·43	54·55	5·22
Other imports (excluding specie and parcels post)	15,873	45·14	75,593	35·51	21·00	2·85
Total imports (excluding specie and parcels post)	35,165	100·00	212,875	100·00	16·52	2·93

EXHIBIT No. 17—*continued.*RETURN SHOWING THE VALUES OF PRINCIPAL ITEMS OF IMPORTS FROM (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899—*continued.**Provincial District of Taranaki.*

Groups of Principal Items imported.	Taranaki Imports from Commonwealth.	Proportion per Cent.	Total Taranaki Imports.	Proportion per Cent.	Proportion of Taranaki Imports from Commonwealth—	
					To Total Taranaki Imports.	To New Zealand Imports from Commonwealth.
Apparel and slops ...	£ 6	0·05	£ 2,037	2·75	0·29	0·07
Boots and shoes ...	4	0·03	769	1·04	0·52	0·04
Cotton piece-goods ...	...	...	5,350	7·23	...	...
Drapery ...	4	0·03	3,312	4·48	0·12	0·06
Haberdashery ...	34	0·28	299	0·40	11·37	0·58
Hats and caps ...	...	...	399	0·54	...	...
Hosiery ...	...	...	1,049	1·42	...	...
Linen manufactures ...	...	...	92	0·12	...	...
Millinery ...	...	...	4	0·01	...	...
Silks ...	3	0·02	244	0·33	1·23	0·06
Woollens ...	...	...	2,235	3·02	...	...
Totals ...	51	0·41	15,790	21·34	0·32	0·07
Agricultural implements ...	141	1·14	389	0·53	26·25	2·47
Cutlery ...	...	...	168	0·22	...	...
Hardware and ironmongery ...	77	0·62	1,695	2·29	4·54	0·71
Rails and railway bolts, &c. ...	...	...	...	...	...	...
Iron and steel, other, pig, wrought, wire, &c. ...	49	0·40	2,341	3·16	2·09	0·24
Machinery ...	4,732	38·37	8,370	11·31	56·54	9·67
Nails ...	26	0·21	567	0·76	4·59	2·63
Railway plant ...	...	...	12	0·02	...	...
Sewing-machines ...	...	...	63	0·09	...	...
Tools, artificers' ...	23	0·19	1,322	1·79	1·74	0·69
Totals ...	5,048	40·93	14,927	20·17	33·82	5·10
Sugar ...	...	...	8	0·01	...	...
Tea ...	...	...	2,977	4·02	...	...
Totals ...	...	...	2,985	4·03	...	...
Beer ...	37	0·30	37	0·05	100·00	3·78
Spirits ...	98	0·79	1,025	1·38	9·56	0·47
Tobacco ...	591	4·79	3,311	4·48	17·85	2·44
Wine ...	528	4·28	537	0·72	98·32	2·54
Totals ...	1,254	10·16	4,910	6·63	25·54	1·89
Paper ...	35	0·28	2,138	2·89	1·64	0·51
Printed books ...	553	4·49	1,614	2·18	34·27	1·95
Stationery ...	89	0·72	449	0·61	19·82	0·87
Totals ...	677	5·49	4,201	5·68	16·12	1·49
Bags and sacks ...	...	...	4	0·01	...	...
Coals ...	...	...	...	...	...	...
Fancy goods ...	220	1·79	844	1·14	26·07	3·17
Fruits (including fresh, preserved, bottled, and dried) ...	539	4·37	2,097	2·83	25·70	0·89
Oils ...	115	0·93	1,108	1·50	10·38	0·55
Totals ...	874	7·09	4,053	5·48	21·56	0·47
Other imports (excluding specie and parcels post)	4,430	35·92	27,132	36·67	16·33	0·80
Total imports (excluding specie and parcels post)	12,334	100·00	73,998	100·00	16·67	1·03

EXHIBIT No. 17—*continued.*RETURN SHOWING THE VALUES OF PRINCIPAL ITEMS OF IMPORTS FROM (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899—*continued.**Provincial District of Marlborough.*

Groups of Principal Items imported.	Marlborough Imports from Commonwealth.	Proportion per Cent.	Total Marlborough Imports.	Proportion per Cent.	Proportion of Marlborough Imports from Commonwealth—	
					To Total Marlborough Imports.	To New Zealand Imports from Commonwealth.
Apparel and slops ...	£ 2	0·12	£ 684	5·09	0·29	0·02
Boots and shoes ...	...	...	...	...	...	...
Cotton piece-goods ...	...	...	1,629	12·12	...	...
Drapery ...	1	0·06	1,152	8·57	0·09	0·02
Haberdashery ...	...	...	96	0·71	...	...
Hats and caps ...	...	...	15	0·11	...	...
Hosiery ...	...	...	125	0·93	...	...
Linen manufactures ...	...	...	...	...	...	...
Millinery ...	...	...	60	0·45	...	...
Silks ...	...	...	56	0·42	...	...
Woollens ...	...	...	719	5·35	...	...
Totals ...	3	0·18	4,536	33·75	0·07	...
Agricultural implements ...	62	3·75	92	0·69	67·39	1·09
Cutlery ...	...	...	49	0·36	...	...
Hardware and ironmongery ...	28	1·70	688	5·12	4·07	0·26
Rails and railway bolts, &c. ...	...	...	...	...	...	...
Iron and steel, other, pig, wrought, wire, &c. ...	53	3·21	1,151	8·57	4·60	0·25
Machinery ...	6	0·36	497	3·69	1·21	0·01
Nails ...	...	...	50	0·37	...	...
Railway plant ...	...	...	...	...	...	...
Sewing-machines ...	...	...	7	0·05	...	...
Tools, artificers' ...	14	0·85	350	2·61	4·00	0·42
Totals ...	163	9·87	2,884	21·46	5·65	0·16
Sugar ...	216	13·08	216	1·61	100·00	0·16
Tea ...	73	4·43	159	1·18	45·91	0·17
Totals ...	289	17·51	375	2·79	77·07	0·17
Beer ...	...	...	...	...	...	...
Spirits ...	21	1·27	266	1·98	7·89	0·10
Tobacco ...	...	...	...	...	...	...
Wine ...	235	14·24	235	1·75	100·00	1·13
Totals ...	256	15·51	501	3·73	51·10	0·39
Paper ...	6	0·36	128	0·95	4·69	0·09
Printed books ...	138	8·36	242	1·80	57·02	0·49
Stationery ...	19	1·15	44	0·33	43·18	0·19
Totals ...	163	9·87	414	3·08	39·37	0·36
Bags and sacks ...	109	6·61	461	3·43	23·64	1·55
Coals ...	...	...	...	...	...	...
Fancy goods ...	7	0·42	93	0·69	7·53	0·10
Fruits (including fresh, preserved, bottled, and dried) ...	39	2·36	39	0·29	100·00	0·06
Oils ...	...	...	233	1·73	...	...
Totals ...	155	9·39	826	6·14	18·77	0·08
Other imports (excluding specie and parcels post)	622	37·67	3,904	29·05	15·93	0·11
Total imports (excluding specie and parcels post)	1,651	100·00	13,440	100·00	12·28	0·14

EXHIBIT No. 17—*continued.*RETURN SHOWING THE VALUES OF PRINCIPAL ITEMS OF IMPORTS FROM (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899—*continued.**Provincial District of Nelson.*

Groups of Principal Items imported.	Nelson Imports from Commonwealth.	Proportion per Cent.	Total Nelson Imports.	Proportion per Cent.	Proportion of Nelson Imports from Commonwealth—	
					To Total Nelson Imports.	To New Zealand Imports from Commonwealth.
Apparel and slops ...	£ 107	0·37	£ 7,421	4·78	1·44	1·16
Boots and shoes... ..	21	0·07	2,203	1·42	0·95	0·21
Cotton piece-goods ...	44	0·15	9,128	5·88	0·48	0·44
Drapery	72	0·25	5,862	3·77	1·23	1·16
Haberdashery	13	0·04	889	0·57	1·46	0·23
Hats and caps ... ..	...	...	2,065	1·33	...	...
Hosiery	27	0·09	2,339	1·51	1·16	2·52
Linen manufactures ...	...	...	1,213	0·78	...	...
Millinery ... ..	...	...	337	0·22	...	...
Silks	46	0·16	1,625	1·04	2·83	0·91
Woollens	21	0·07	6,309	4·06	0·33	0·12
Totals	351	1·20	39,391	25·36	0·89	0·51
Agricultural implements ...	...	...	583	0·38	...	...
Cutlery	1	...	362	0·23	0·27	0·18
Hardware and ironmongery	83	0·29	3,274	2·11	2·54	0·76
Rails and railway bolts, &c.	...	...	417	0·27	...	...
Iron and steel, other, pig, wrought, wire, &c.	132	0·45	6,651	4·28	1·99	0·63
Machinery	198	0·68	7,103	4·57	2·79	0·40
Nails ... ..	...	...	474	0·31	...	...
Railway plant ... ..	...	...	...	...	...	...
Sewing-machines	3	0·01	565	0·36	0·53	0·06
Tools, artificers'	95	0·33	1,337	0·86	7·11	2·83
Totals	512	1·76	20,766	13·37	2·47	0·52
Sugar	1,065	3·65	1,150	0·74	92·61	0·81
Tea	591	2·03	2,591	1·67	22·81	1·40
Totals	1,656	5·68	3,741	2·41	44·27	0·96
Beer ... ..	...	...	1,948	1·25	...	...
Spirits	1,087	3·73	6,932	4·46	15·68	5·28
Tobacco	1,412	4·84	4,279	2·76	33·00	5·84
Wine	748	2·56	1,334	0·86	56·07	3·60
Totals	3,247	11·13	14,493	9·33	22·40	4·88
Paper	57	0·19	1,553	1·00	3·67	0·84
Printed books	861	2·96	3,097	1·99	27·80	3·03
Stationery	97	0·33	1,262	0·81	7·69	0·95
Totals	1,015	3·48	5,912	3·80	17·17	2·23
Bags and sacks	15	0·05	556	0·36	2·70	0·21
Coals	945	3·24	945	0·61	100·00	1·03
Fancy goods	272	0·94	1,015	0·65	26·80	3·94
Fruits (including fresh, preserved, bottled, and dried)	1,952	6·69	4,330	2·79	45·08	3·23
Oils	332	1·14	2,812	1·81	11·81	1·58
Totals	3,516	12·06	9,658	6·22	36·41	1·87
Other imports (excluding parcels post and specie)	18,865	64·69	61,364	39·51	30·74	3·38
Total imports (excluding specie and parcels post)	29,162	100·00	155,325	100·00	18·77	2·43

EXHIBIT No. 17—continued.

RETURN SHOWING THE VALUES OF PRINCIPAL ITEMS OF IMPORTS FROM (1) THE COMMONWEALTH,
AND (2) THE WORLD, FOR 1899—continued.

Provincial District of Westland.

Groups of Principal Items imported.	Westland Imports from Commonwealth.	Proportion per Cent.	Total Westland Imports.	Proportion per Cent.	Proportion of Westland Imports from Commonwealth—	
					To Total Westland Imports.	To New Zealand Imports from Commonwealth.
Apparel and slops ...	£ 1	0·01	£ 4,526	8·24	0·02	0·01
Boots and shoes ...	...	...	692	1·26	...	...
Cotton piece-goods ...	...	...	3,168	5·77	...	...
Drapery ...	...	...	6,330	11·52	...	...
Haberdashery ...	...	...	471	0·86	...	...
Hats and caps ...	...	...	43	0·08	...	...
Hosiery ...	...	...	64	0·12	...	...
Linen manufactures ...	...	...	13	0·02	...	...
Millinery ...	...	...	135	0·25	...	...
Silks ...	...	...	28	0·05	...	...
Woollens ...	...	...	232	0·42	...	...
Totals ...	1	0·01	15,702	28·59	0·01	...
Agricultural implements ...	...	...	84	0·15	...	...
Cutlery ...	4	0·03	163	0·30	2·45	0·72
Hardware and ironmongery ...	100	0·79	2,352	4·28	4·25	0·92
Rails and railway bolts, &c. ...	...	...	181	0·33	...	...
Iron and steel, other, pig, wrought, wire, &c. ...	562	4·45	1,054	1·92	53·32	2·68
Machinery ...	473	3·75	3,883	7·07	12·18	0·97
Nails ...	36	0·29	375	0·68	9·60	3·64
Railway plant ...	...	...	...	...	...	...
Sewing-machines ...	...	...	8	0·02	...	...
Tools, artificers' ...	237	1·88	1,996	3·63	11·87	7·05
Totals ...	1,412	11·19	10,096	18·38	13·99	1·43
Sugar ...	343	2·72	344	0·62	99·71	0·26
Tea ...	1,255	9·94	2,152	3·92	58·32	2·99
Totals ...	1,598	12·66	2,496	4·54	64·02	0·92
Beer ...	...	...	...	...	...	...
Spirits ...	521	4·13	2,177	3·96	23·93	2·53
Tobacco ...	754	5·97	2,465	4·49	30·59	3·12
Wine ...	1,140	9·03	1,143	2·08	99·74	5·49
Totals ...	2,415	19·13	5,785	10·53	41·75	3·63
Paper ...	...	...	440	0·80	...	...
Printed books ...	148	1·17	330	0·60	44·91	0·52
Stationery ...	25	0·20	314	0·57	7·96	0·24
Totals ...	173	1·37	1,084	1·97	15·96	0·38
Bags and sacks ...	...	...	...	...	...	...
Coals ...	...	...	...	...	...	...
Fancy goods ...	26	0·21	229	0·42	11·36	0·38
Fruits (including fresh, preserved, bottled, and dried) ...	218	1·73	281	0·51	77·58	0·36
Oil ...	104	0·82	1,131	2·06	9·20	0·49
Totals ...	348	2·76	1,641	2·99	21·21	0·19
Other imports (excluding parcels post and specie)	6,675	52·88	18,125	33·00	36·83	1·20
Total imports (excluding specie and parcels post)	12,622	100·00	54,929	100·00	22·98	1·06

EXHIBIT No. 18.

RETURN SHOWING VALUES OF PRINCIPAL ITEMS OF NEW ZEALAND IMPORTS FROM (1) THE COMMONWEALTH, AND (2) THE WORLD, FOR 1899 (Specie excluded).

Groups of Principal Articles imported.	New Zealand Imports from the Commonwealth.	Proportion per Cent.	Total New Zealand Imports.	Proportion per Cent.	Proportion of New Zealand Imports from the Commonwealth to Total New Zealand Imports, per Cent.
	£		£		
Apparel and slops	9,238	0·76	393,689	1·57	2·35
Boots and shoes	9,887	0·82	151,593	1·78	6·52
Cotton piece-goods	10,092	0·83	447,495	5·19	2·25
Drapery	6,241	0·51	395,696	4·59	1·58
Haberdashery	5,830	0·48	84,808	0·98	6·81
Hats and caps	1,441	0·12	68,184	0·79	2·11
Hosiery	1,073	0·09	90,545	1·05	1·19
Linen manufactures	1,098	0·09	69,167	0·80	1·59
Millinery	2,061	0·17	36,932	0·43	5·58
Silks	5,038	0·41	87,639	1·02	5·75
Woollens	17,316	1·44	297,387	3·45	5·82
Totals	69,315	5·72	2,123,135	24·65	3·26
Agricultural implements	5,706	0·47	17,063	0·20	33·44
Cutlery	554	0·04	19,764	0·22	2·80
Hardware and ironmongery	10,921	0·90	255,701	2·97	4·27
Rails and railway bolts, &c.	1,624	0·13	63,557	0·74	2·56
Iron and steel, other, pig, wrought, wire, &c.	20,939	1·74	632,182	7·34	3·31
Machinery	49,046	4·06	405,551	4·71	12·09
Nails	988	0·08	31,363	0·36	3·15
Railway plant	51	...	63,807	0·74	0·08
Sewing-machines	5,562	0·46	30,801	0·36	18·06
Tools, artificers'	3,320	0·27	59,066	0·69	5·62
Totals	98,711	8·15	1,578,855	18·33	6·25
Sugar	131,100	10·82	354,925	4·12	36·94
Tea	42,082	3·47	183,691	2·13	22·91
Totals	173,182	14·29	538,616	6·25	32·15
Beer	979	0·08	39,166	0·46	2·50
Spirits	20,972	1·73	215,685	2·50	9·72
Tobacco	24,106	1·99	184,173	2·14	13·09
Wine	20,873	1·72	51,640	0·59	40·42
Totals	66,930	5·52	490,664	5·69	13·64
Paper	6,817	0·56	135,482	1·58	5·03
Printed books	29,292	2·42	122,260	1·42	23·96
Stationery	10,241	0·85	100,875	1·17	10·15
Totals	46,350	3·83	358,617	4·17	12·92
Bags and sacks	7,037	0·58	123,596	1·43	5·69
Coals	92,765	7·66	92,815	1·08	99·95
Fancy goods	6,922	0·57	110,114	1·28	6·29
Fruits (including fresh, preserved, bottled, and dried)	60,560	5·00	180,590	2·10	33·53
Oils	21,042	1·74	126,967	1·47	16·58
Totals	188,326	15·55	634,082	7·36	29·70
Other imports (excluding specie)	556,140	45·90	2,819,593	32·74	19·72
Parcels post... ..	12,614	1·04	70,094	0·81	18·00
Total imports (excluding specie)	1,211,568	100·00	8,613,656	100·00	14·07

EXHIBIT No. 19.

INTERCHANGE OF TRADE BETWEEN NEW ZEALAND AND THE STATES OF THE COMMONWEALTH IN 1899.

I. NEW SOUTH WALES.

Exports of New Zealand Produce to New South Wales.

				£					£
Oats	...	...	...	96,774	Leather	...	...	...	6,751
Timber	...	...	...	92,511	Onions	...	...	...	6,389
Cheese	...	...	...	43,825	Seeds	...	...	...	6,262
Malt	...	...	...	40,486	Woollen piece-goods	...	...	...	4,524
Potatoes	...	...	...	32,572	Coals	...	...	...	4,513
Butter	...	...	...	29,651	Fish, frozen	...	...	...	4,357
Wheat	...	...	...	27,584	Horses	...	...	...	3,971
Tallow	...	...	...	24,182	Beans and peas	...	...	...	3,764
Wool	...	...	...	23,096	Fungus	...	...	...	3,663
Maize	...	...	...	19,512	Sulphur	...	...	...	3,483
Bran and pollard	...	...	...	15,592	Agricultural machinery	...	...	...	3,241
Hides	...	...	...	14,518	Meats, potted and preserved...	...	...	...	2,986
Flax	...	...	...	14,065	Bacon	...	...	...	2,668
Hops	...	...	...	12,676	Miscellaneous	...	...	...	40,596
Barley	...	...	...	10,079					
Flour	...	...	...	8,160					616,405
Oatmeal	...	...	...	7,188	Gold	...	...	...	466,046
Hams	...	...	...	6,766					
									£1,082,451

New Zealand Imports of New South Wales Produce.

				£					£
Coal	...	...	...	55,954	Glass bottles	...	...	...	3,432
Timber	...	...	...	33,930	Drugs and druggists' wares	...	...	...	3,047
Manures	...	...	...	32,203	Carriage and carriage materials	...	...	...	2,842
Lead, sheet	...	...	...	17,617	Furniture...	...	...	...	2,387
Fresh fruit	...	...	...	16,753	Spirits	...	...	...	2,282
Tin ingots	...	...	...	11,016	Metal manufactures	...	...	...	2,160
Grindery	...	...	...	6,579	Copper ingots	...	...	...	1,966
Cordage	...	...	...	6,303	Wine	...	...	...	1,678
Leather and leatherware	...	...	...	5,520	Skins	...	...	...	1,547
Horses	...	...	...	4,452	Miscellaneous	...	...	...	20,087
Machinery	...	...	...	3,683					
									£235,438

II. VICTORIA.

Exports of New Zealand Produce to Victoria.

				£					£
Timber	...	...	...	73,523	Rabbit-skins	...	...	...	1,838
Oats	...	...	...	42,712	Tallow	...	...	...	1,807
Butter	...	...	...	11,907	Fish	...	...	...	1,790
Flax	...	...	...	11,458	Oysters	...	...	...	1,480
Potted and preserved meats	...	...	...	10,373	Woollen piece-goods	...	...	...	1,265
Fish, frozen	...	...	...	8,572	Kauri-gum	...	...	...	1,169
Grass and clover seeds	...	...	...	8,215	Miscellaneous	...	...	...	13,554
Hides	...	...	...	7,680					
Hops	...	...	...	6,698					214,883
Leather	...	...	...	4,484	Gold	...	...	...	179,660
Cheese	...	...	...	3,984					
Wool	...	...	...	2,364					£394,543

New Zealand Imports of Victorian Produce.

				£					£
Sugar and molasses	...	...	...	18,962	Acids	...	...	...	1,507
Bicycles	...	...	...	16,887	Wine	...	...	...	1,484
Machinery	...	...	...	7,093	Furniture...	...	...	...	1,390
Leather and leatherware	...	...	...	9,538	Woodware	...	...	...	1,097
Spirits	...	...	...	4,695	Drugs and druggists' wares	...	...	...	1,049
Glass bottles	...	...	...	3,431	Metal manufactures	...	...	...	704
Raisins	...	...	...	2,892	Plants	...	...	...	593
Books	...	...	...	2,871	Miscellaneous	...	...	...	30,210
Stationery	...	...	...	2,671					
Fresh fruit	...	...	...	1,848					£108,922

EXHIBIT No. 19—continued.

III. QUEENSLAND.

Exports of New Zealand Produce to Queensland.

		£			£
Oats	...	12,037	Agricultural machinery	...	523
Wheat	...	7,961	Flax	...	304
Timber	...	6,059	Potted and preserved fish	...	304
Maize	...	5,405	Onions	...	260
Barley	...	4,799	Beans and peas	...	211
Hops	...	3,760	Malt	...	208
Potatoes	...	2,120	Miscellaneous	...	2,287
Leather	...	2,099			
Woollen piece-goods	...	921			50,726
Cheese	...	816	Gold	...	144
Oatmeal	...	652			
					£50,870

New Zealand Imports of Queensland Produce.

		£			£
Sugar and molasses	...	94,990	Preserved meats	...	151
Manures	...	7,512	Miscellaneous	...	1,092
Charcoal	...	5,118			
					£108,863

IV. SOUTH AUSTRALIA

Exports of New Zealand Produce to South Australia.

		£			£
Oatmeal	...	5,966	Beans and peas	...	598
Timber	...	4,203	Cheese	...	544
Flax	...	2,422	Butter	...	503
Hops	...	2,244	Fish	...	255
Potted and preserved meats	...	2,036	Pumice-stone	...	252
Hides	...	1,652	Miscellaneous	...	1,840
Leather	...	1,313			
Oats	...	830			£24,658

New Zealand Imports of South Australian Produce.

		£			£
Wine	...	12,435	Raisins	...	307
Salt	...	7,494	Manures	...	250
Bark	...	4,784	Miscellaneous	...	1,073
Spirits	...	906			
					£27,249

V. TASMANIA.

Exports of New Zealand Produce to Tasmania.

		£			£
Butter	...	10,283	Oysters	...	578
Hides	...	2,779	Agricultural machinery	...	565
Preserved milk	...	2,337	Sheep	...	365
Binder-twine	...	2,195	Horses	...	313
Potted and preserved meats	...	1,818	Flax	...	275
Cheese	...	1,300	Miscellaneous	...	3,154
Seeds	...	814			
Timber	...	708			£27,484

New Zealand Imports of Tasmanian Produce.

		£			£
Timber	...	9,071	Fresh fruit	...	4,752
Bark	...	5,571	Miscellaneous	...	833
					£20,227

VI. WESTERN AUSTRALIA.

Exports of New Zealand Produce to Western Australia.

		£			£
Oats	...	28,359	Wheat	...	1,501
Cheese	...	7,516	Timber	...	1,395
Potted and preserved meats	...	6,811	Potted and preserved fish	...	1,251
Butter	...	5,162	Hams	...	931
Preserved milk	...	4,525	Malt	...	559
Oatmeal	...	2,783	Bacon	...	398
Bran and pollard	...	2,089	Miscellaneous	...	1,228
Potatoes	...	1,655			
					£66,163

New Zealand Imports of Western Australian Produce.

Not available; very small, if any.

EXHIBIT No. 20.

INTERCHANGE OF TRADE BETWEEN NEW ZEALAND AND THE COMMONWEALTH IN 1899.

Exports of New Zealand Produce to the Commonwealth.

		£			£
Oats	...	180,712	Oatmeal	...	16,924
Timber	...	178,399	Seeds	...	15,734
Cheese	...	57,985	Leather	...	14,683
Butter	...	57,506	Fish, frozen	...	12,931
Malt	...	41,253	Preserved milk	...	9,336
Wheat	...	37,047	Flour	...	8,272
Potatoes	...	36,894	Hams	...	7,857
Flax	...	28,524	Woollen piece-goods	...	6,981
Hides	...	26,763	Onions	...	6,876
Tallow	...	26,009	Fish, potted and preserved	...	5,725
Wool	...	25,460	Miscellaneous	...	89,016
Hops	...	25,378			
Maize	...	24,917			1,000,319
Meats, preserved and potted	...	24,120	Gold	...	645,850
Bran and pollard	...	18,010			
Barley	...	17,007			£1,646,169

New Zealand Imports of Commonwealth Produce.

		£			£
Sugar and molasses	...	113,952	Glass bottles	...	6,863
Coal	...	56,337	Grindery	...	6,579
Timber	...	43,417	Cordage	...	6,336
Manures	...	40,182	Charcoal	...	5,118
Fresh fruit	...	23,388	Horses	...	4,771
Lead, sheet	...	17,617	Drugs and druggists' wares	...	4,105
Bark	...	18,199	Furniture...	...	3,947
Bicycles	...	16,887	Carriages and carriage materials	...	3,295
Wine	...	15,597	Raisins	...	3,199
Leather and leatherware	...	15,300	Books	...	3,197
Tin ingots	...	11,016	Stationery	...	3,008
Machinery	...	10,776	Metal manufactures	...	2,864
Spirits	...	7,883	Miscellaneous	...	49,372
Salt	...	7,494			
					£500,699

EXHIBIT No. 21.

1899.—EXPORTS OF NEW ZEALAND PRODUCE TO AUSTRALIA, COMPARED WITH THE TOTAL EXPORTS OF NEW ZEALAND PRODUCE.

Article.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.	Exports New Zealand Produce to Australia.	Total Exports New Zealand Produce to Whole World.
	£	£	£	£	£	£	£	£
Oats	42,712	96,774	12,037	830	28,359	..	180,712	286,102
Timber (sawn and hewn) ..	73,523	92,511	6,059	4,203	1,395	708	178,399	196,749
Cheese	3,984	43,825	816	544	7,516	1,300	57,985	141,818
Butter	11,907	29,651	..	503	5,162	10,283	57,506	571,799
Malt .. .. .	..	40,486	208	..	559	..	41,253	41,253
Wheat	1	27,584	7,961	..	1,501	..	37,047	338,476
Potatoes	323	32,572	2,120	217	1,655	7	36,894	39,618
Flax	11,458	14,065	304	2,422	..	275	28,524	184,411
Hides	7,680	14,518	134	1,652	..	2,779	26,763	36,095
Tallow	1,807	24,182	..	..	..	20	26,009	311,649
Wool	2,364	23,096	..	..	..	..	25,460	4,324,627
Hops	6,698	12,676	3,760	2,244	..	..	25,378	29,045
Maize .. .. .	..	19,512	5,405	..	..	..	24,917	25,024
Meats (potted and preserved) ..	10,373	2,986	96	2,036	6,811	1,818	24,120	90,910
Bran and pollard	258	15,592	71	..	2,089	..	18,010	19,736
Barley	1,782	10,079	4,799	..	129	218	17,007	17,816
Oatmeal	333	7,188	652	5,966	2,783	2	16,924	16,968
Seeds (grass and clover) ..	8,215	6,262	75	242	- 126	814	15,734	61,974
Leather	4,484	6,751	2,099	1,313	24	12	14,683	98,319
Fish (frozen)	8,572	4,357	..	..	..	2	12,931	12,973
Milk (preserved)	97	2,030	194	153	4,525	2,337	9,336	12,012
Flour	108	8,160	..	..	..	4	8,272	10,299
Hams	50	6,766	..	99	931	11	7,857	8,972
Woollen piece-goods	1,265	4,524	921	191	24	56	6,981	7,355
Onions	64	6,389	260	..	161	2	6,876	8,089
Fish (potted and preserved) ..	1,790	2,022	304	255	1,251	103	5,725	7,954
Beans and peas	294	3,764	211	598	69	39	4,975	12,835
Horses	515	3,971	..	..	..	313	4,799	10,665
Coals .. .. .	..	4,513	..	..	..	125	4,638	83,085
Machinery (agricultural) ..	165	3,241	523	20	56	565	4,570	4,638
Fungus .. .. .	..	3,663	..	..	..	..	3,663	10,593
Binder-twine .. .. .	..	1,329	..	..	..	2,195	3,524	3,524
Sulphur .. .. .	..	3,483	..	..	..	..	3,483	3,483
Bacon	26	2,668	32	..	398	138	3,262	5,392
Oysters	1,480	70	..	..	..	578	2,128	2,128
Kauri-gum	1,169	797	..	..	..	..	1,966	607,919
Rabbit-skins	1,838	..	..	..	..	..	1,838	81,118
Sheep	549	850	..	..	..	365	1,764	6,637
Apparel and slops	268	1,236	48	..	..	20	1,572	3,328
Pumice-stone .. .. .	..	469	27	252	..	..	748	2,230
Linseed	140	374	..	..	..	..	514	514
Chaff .. .. .	..	14	95	..	..	..	109	109
Miscellaneous	8,591	31,405	1,515	918	639	2,395	45,463	2,548,319
Total (excluding gold) ..	214,883	616,405	50,726	24,658	66,163	27,484	1,000,319	10,286,560
Gold	179,660	466,046	144	..	..	..	645,850	1,513,180
Total (including gold) ..	394,543	1,082,451	50,870	24,658	66,163	27,484	1,646,169	11,799,740

EXHIBIT No. 22.
1899.—IMPORTS OF AUSTRALIAN PRODUCE INTO NEW ZEALAND, COMPARED WITH TOTAL
AUSTRALIAN IMPORTS AND ALL IMPORTS.

Article.	Victoria.	New South Wales.	Queens- land.	South Australia.	Western Australia.	Tasmania.	Total Imports into New Zealand of Australian Produce (Australian Values).	Total Imports into New Zealand from Australia (New Zea- land Values).	Total Imports into New Zealand from all Countries (New Zealand Values).
	£	£	£	£		£	£	£	£
Sugar and molasses ..	18,962	..	94,990	..	..	..	118,952	181,100	354,925
Coal ..	..	55,954	383	..	..	..	56,337	92,765	92,815
Timber (including palings)	416	33,930	..	..	..	9,071	43,417	74,983	83,084
Manures ..	217	32,203	7,512	250	..	..	40,182	62,504	124,919
Fresh fruit ..	1,848	16,753	34	1	..	4,752	23,388	39,030	99,686
Bark ..	7,132	712	..	4,784	..	5,571	18,199	34,088	34,628
Lead (sheet) ..	..	17,617	..	..	..	..	17,617	16,931	20,509
Bicycles and parts	16,887	..	..	..	..	..	16,887	31,247	112,615
Wine ..	1,484	1,678	..	12,435	..	..	15,597	20,873	51,640
Leather and leatherware	9,538	5,520	..	22	..	220	15,300	23,397	85,018
Tin ingots ..	..	11,016	..	..	..	..	11,016	13,216	14,085
Machinery n.o.e.*	7,093	3,683	..	5	..	..	10,781	49,046	405,551
Spirits ..	4,695	2,282	..	906	..	..	7,883	20,972	215,685
Salt ..	..	..	..	7,494	..	..	7,494	14,086	29,876
Glass bottles ..	3,431	3,432	..	..	..	..	6,863	14,659	34,439
Grindery*	..	6,579	..	..	..	..	6,579	1,817	20,605
Cordage*	33	6,303	..	..	..	..	6,336	3,623	27,180
Charcoal ..	..	..	5,118	..	..	..	5,118	2,259	2,273
Horses ..	271	4,452	..	..	..	48	4,771	12,580	14,450
Drugs, &c. ..	1,049	3,047	..	9	..	..	4,105	8,407	63,481
Furniture ..	1,390	2,387	20	150	..	..	3,947	15,480	48,135
Carriages and materials	453	2,842	..	..	..	..	3,295	4,677	31,975
Raisins ..	2,892	..	..	307	..	..	3,199	11,094	34,923
Books ..	2,871	306	18	2	..	..	3,197	29,292	132,260
Stationery ..	2,671	337	..	..	..	..	3,008	10,241	100,875
Metal manufactures*	704	2,160	..	..	..	..	2,864	11,006	70,882
Rice ..	2,074	..	..	..	..	..	2,074	8,020	41,189
Boots ..	1,125	875	..	..	..	..	2,000	9,887	151,593
Copper ingots ..	..	1,966	..	..	..	..	1,966	2,563	13,628
Acids ..	1,507	348	..	..	..	..	1,855	5,286	13,115
Apparel ..	1,627	149	..	5	..	..	1,781	9,238	393,689
Plants ..	593	1,074	9	..	..	..	1,676	1,843	2,687
Skins†	72	1,547	..	..	..	..	1,619	1,448	1,702
Machinery (agricultural)‡	1,107	..	..	..	..	..	1,107	..	..
Woodenware ..	1,097	..	..	..	..	..	1,097	5,736	25,469
Furs ..	14	914	..	..	..	..	928	586	4,838
Photo. goods ..	238	282	..	..	..	..	520	1,191	22,750
Meats (preserved)	..	16	151	..	..	..	167	23	2,069
Pearl barley ..	13	..	..	..	..	..	13	23	169
Miscellaneous ..	15,418	15,074	628	879	..	565	32,564	416,401	5,634,244
	108,922	235,438	108,863	27,249	..	20,227	500,699	1,211,568	8,613,656
Specie ..	60,000	..	..	..	..	..	60,000	125,260	125,977
	168,922	235,438	108,863	27,249	..	20,227	560,699	1,336,828	8,739,633

* Various classifications. † Some included under "Hides." ‡ Totals included in "Machinery n.o.e."

Owing to different classifications prevailing in various colonies, items like machinery n.o.e., metal manufactures grindery, skins, &c., cannot be compared.

EXHIBIT No. 23.

TABLE SHOWING THE VALUE OF THE IMPORTS AND EXPORTS OF THE COLONY OF NEW ZEALAND FROM AND TO EACH UNDER-MENTIONED COUNTRY, COLONY, OR PORT DURING THE YEARS 1900 AND 1899.

Country, Colony, or Port.	1900.					1899.			
	Imports from.		Exports to.			Imports from.		Exports to.	
	—	Totals.	Produce and Manufactures of the Colony.	British, Foreign, and other Colonial Produce and Manufactures.	Totals.	—	Totals.	—	Totals.
United Kingdom ..	£	6,504,484	10,238,461	20,881	10,259,342	£	5,526,645	£	9,427,515
BRITISH POSSESSIONS.									
Australia—									
Victoria ..	552,013	..	491,380	22,851	514,231	407,078	..	412,822	..
New South Wales	1,052,792	..	1,124,217	68,353	1,192,570	748,201	..	1,118,699	..
Queensland ..	99,050	..	34,549	799	35,348	118,730	..	52,644	..
South Australia ..	29,116	..	28,446	453	28,899	30,165	..	25,751	..
Western Australia	2,811	..	59,627	264	59,891	663	..	66,321	..
		1,735,782					1,304,837		1,676,237
			1,738,219	92,720	1,830,939				
Tasmania ..	..	41,196	22,551	5,092	27,643	..	31,991	..	31,799
Pacific Islands—									
Norfolk ..	140	..	611	914	1,525	569	..	2,360	..
Fiji ..	364,510	..	34,745	8,844	43,589	250,706	..	28,244	..
Malden ..	12,665	..	72	168	240	13,973	..	681	..
Ellice ..	75	..	..	..	..	..	..	..	..
		377,390					265,248		31,285
			35,428	9,926	45,354				
Europe—									
Gibraltar ..	..	..	20	..	20	..	..	..	..
Malta ..	23	..	..	..	..	40	..	..	..
		23					40		
			20	..	20				
Africa—									
Cape Colony ..	487	..	116,536	2,686	119,222	206	..	61,141	..
Natal ..	15	..	286,085	112	286,197	4	..	29,041	..
Mauritius ..	165	..	..	7	7	..	..	25	..
		667					210		90,207
			402,621	2,805	405,426				
Asia—									
Hongkong ..	20,953	..	12,911	666	13,577	18,363	..	10,799	..
Bengal ..	255,911	..	8,693	364	9,057	212,654	..	2,098	..
Bombay ..	345	..	47	..	47	77	..	12	..
Madras ..	523	..	84	..	84	310	..	222	..
Burmah ..	1,773	..	..	..	..	2,959	..	500	..
Ceylon ..	123,333	..	228	..	228	116,833	..	445	..
Singapore ..	26,292	..	118	..	118	19,884	..	178	..
		429,130					371,080		14,254
			22,081	1,030	23,111				
America—									
Canada ..	32,169	..	10	..	10	55,021	..	10	..
British Columbia..	8,996	..	277	..	277	8,229	..	6,353	..
Falkland Islands ..	..	..	..	..	..	..	..	94	..
West Indies ..	19	..	..	..	..	141	..	..	..
		41,184					63,391		6,457
			287	..	287				
FOREIGN COUNTRIES.									
Europe—									
France ..	26,326	..	15,592	9	15,601	19,481	..	4,579	..
Spain ..	1,129	..	..	..	..	979	..	59,082	..
Portugal..	773	..	..	..	..	2,238	..	..	..
Italy ..	6,975	..	11	..	11	6,934	..	11	..
Austria ..	1,062	..	37	..	37	946	..	9	..
Germany ..	182,074	..	22,741	1,445	24,186	160,605	..	28,027	..
Switzerland ..	1,179	..	121	..	121	4,454	..	57	..
Greece ..	15,653	..	..	..	..	13,075	..	..	..
Norway ..	285	..	9	..	9	475	..	2	..
Sweden ..	10,101	..	5	500	505	6,199	..	1	..
Denmark ..	247	..	6,227	..	6,227	919	..	1,060	..
Belgium ..	49,295	..	222	..	222	44,561	..	212	..
Holland ..	17,130	..	869	..	869	21,643	..	538	..
Russia ..	..	..	2	..	2	..	..	11,486	..
Turkey ..	534	..	..	..	..	37	..	..	..
		312,763					282,547		105,064
			45,836	1,954	47,790				
America—									
United States:									
On the East Coast	958,286	..	423,116	1,198	424,314	687,906	..	387,614	..
On the West Coast	103,587	..	33,561	1,921	34,482	87,403	..	45,885	..

EXHIBIT No. 23—continued.

TABLE SHOWING THE VALUE OF THE IMPORTS AND EXPORTS OF THE COLONY OF NEW ZEALAND FROM AND TO EACH UNDER-MENTIONED COUNTRY, COLONY, OR PORT DURING THE YEARS 1900 AND 1899—continued.

Country, Colony, or Port.	1900.					1899.			
	Imports from.		Exports to.			Imports from.		Exports to.	
	—	Totals.	Produce and Manufactures of the Colony.	British, Foreign, and other Colonial Produce and Manufactures.	Totals.	—	Totals.	—	Totals.
FOREIGN COUNTRIES— —continued.	£	£	£	£	£	£	£	£	£
America—continued.	..	..	..	..	..	..	..	..	..
Brazil .. .. .	..	..	684	..	684	..	..	782	..
Chili .. .. .	..	..	201	..	201	..	..	110	..
Uruguay .. .. .	..	..	915	..	915	..	..	117	..
Paraguay .. .. .	..	..	..	..	..	..	..	315	..
Argentine Republic .. .. .	..	..	2,353	..	2,353	..	2	2,530	..
Mexico .. .. .	..	..	..	..	..	41	..	..	..
West Indies	1,405	..	..	..	..	2,344	..	5	..
		1,063,278					777,696		437,358
			460,830	2,119	462,949				
Africa—									
Egypt	840	..	..	..	..	518	..	..	..
Canary Islands	76	..	..	..	..	131	..	13,139	..
South African Republic .. .. .	..	..	..	..	..	5	..	5	..
		916					654		13,144
Asia—									
China	1,495	..	..	..	..	4,516	..	174	..
Japan	43,404	..	5,007	..	5,007	40,543	..	1,654	..
Philippine Islands	12,474	..	..	..	..	6,632	..	576	..
Asia Minor	20,725	..	6	..	6	11,354	..	..	..
Macao	160	..	..	..	..	..	..	..	..
		78,258					63,045		2,404
			5,013	..	5,013				
Pacific Islands—									
New Caledonia .. .. .	..	..	8,763	515	9,278	8	..	1,894	..
New Hebrides	101	..	67	41	108	55	..	276	..
Friendly	8,895	..	27,938	19,336	47,274	11,235	..	39,253	..
Savage	215	..	373	1,647	2,020	17	..	949	..
Navigators	1,123	..	17,252	15,811	33,063	1,349	..	23,004	..
Cook	29,477	..	9,020	8,892	17,912	17,969	..	12,162	..
Society	10,778	..	17,608	8,131	25,739	12,658	..	21,532	..
Sandwich	153	..	1,546	..	1,546	361	..	2,478	..
Surprise	1,558	..	8	..	8	3,660	..	3	..
Chesterfield	3,487	..	407	8	415	1,937	..	..	..
Marshall .. .. .	..	..	592	..	592	..	..	252	..
Caroline .. .. .	..	..	328	4	332	..	..	252	..
New Britain .. .. .	..	..	..	..	..	..	..	552	..
Phoenix	3,906	..	..	..	..	..	..	..	..
Baker	1,332	..	..	..	..	..	..	..	..
Gilbert .. .. .	..	..	..	..	..	3,000	..	..	..
New Guinea .. .. .	..	..	..	..	..	..	..	4	..
		61,025					52,249		102,611
			83,902	54,385	138,287				
Totals .. .. .	..	10,646,096*	13,055,249	190,912	13,246,161*	..	8,739,633†	..	11,938,335†

* Includes specie: Imported, £438,770.
Exported, £22,903.† Includes specie: Imported, £125,977.
Exported, £14,913

EXHIBIT No. 24.
TABLE SHOWING DUE DATES AND RATES OF INTEREST ON STATE LOANS ON 30TH JUNE, 1899.
(From Australasian Statistics, compiled by the Government Statist of Victoria.)

When Repayable.	Amounts Outstanding at each Rate of Interest in—												
	Victoria.			Queensland.			Western Australia.			Tasmania.			
	4 per Cent.	Other Rates.	Total.	4 per Cent.	3½ per Cent.*	Total.	4 per Cent.	3½ per Cent.	Other Rates.	Total.	4 per Cent.	Other Rates.	Total.
1899	£ ..	£ 590,000	£ 590,000	£ ..	£ ..	£ ..	£ 800,000	£ ..	£ ..	£ 800,000	£ ..	£ ..	£ 800,000
1900	£ ..	(3½%) 590,000	590,000	£ ..	£ ..	£ ..	250,000	£ ..	£ ..	250,000	£ ..	£ ..	250,000
1901	£ 3,000,000	£ ..	3,000,000	£ ..	£ ..	£ ..	500,000	(6%) 32,500	£ ..	532,500	£ 7,220	(6%) 24,000	7,220
1902	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	(5%) 34,000	£ ..	34,000	£ ..	£ 3,100	3,100
1903	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	(5%) 31,500	£ ..	31,500	£ ..	£ ..	£ ..
1904	£ 457,000	(4½%) 5,000,000	5,457,000	£ ..	£ ..	£ ..	£ ..	(5%) 17,600	£ ..	17,600	£ ..	(5%) 100	100
1905	£ 4,000,000	£ ..	4,000,000	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1907	£ 2,000,000	£ ..	2,000,000	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1908	£ 2,000,000	£ ..	2,000,000	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1910	£ 2,107,000 ⁽¹⁵⁾	£ ..	2,107,000	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1911	£ 746,795 ⁽¹⁶⁾	(3%) 68,000 ⁽¹⁶⁾	68,000	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1912	£ 4,000,000	£ ..	4,746,795	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1913	£ 4,000,000	£ ..	4,746,795	£ 1,466,500	£ ..	£ 1,466,500	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1914	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1915	£ ..	£ ..	£ ..	£ 11,728,800	£ ..	£ 11,728,800	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1916	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1917	£ ..	(3%) 2,790,482 [∞]	2,790,482	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1919	£ 4,000,000	£ ..	4,000,000	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1920	£ 6,000,000	£ ..	6,000,000	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1921	£ ..	(3½%) 5,000,000 ⁽⁵⁾	5,000,000	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1922	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1923	£ ..	(3½%) 7,000,000	7,000,000	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1924	£ ..	£ ..	£ ..	£ 8,189,000	£ ..	£ 8,189,000	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1926	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1927	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1929	£ ..	(3%) 1,600,000 ⁽²⁰⁾	1,600,000	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1930	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1934	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1945	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
1947	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
Annual Drawings Indefinite	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
Total ..	£ 26,310,795	£ 22,043,482	£ 48,354,277	£ 21,384,300	£ 12,214,114	£ 33,598,414	£ 4,082,960	£ 1,263,630	£ 5,141,773	£ 10,488,363	£ 4,136,820	£ 3,584,400	£ 7,721,220

EXHIBIT No. 24—continued.
TABLE SHOWING DUE DATES AND RATES OF INTEREST ON STATE LOANS ON 30TH JUNE, 1899—continued.

When Repayable.	Amounts Outstanding at each Rate of Interest in—																
	New South Wales.					South Australia.					New Zealand (31st March, 1899).						
	5 per Cent.	4 per Cent.	3½ per Cent.	Other Rates.	Total.	6 per Cent.	5 per Cent.	4 per Cent.	Other Rates.	Total.	6 per Cent.	5 per Cent.	4½ per Cent.	4 per Cent.	3½ per Cent.	Other Rates.	Total.
1899	£ 861,600	..	..	..	..	£ 303,500	..	..	..	..	..	..	£ 1,009,292
1900	..	857,100	..	(5½%) 4,500	..	60,000	..	..	{ (£4 11s. 3¼%) 243,500 }	..	..	..	..	..	605,990	..	327,100
1901	..	390,900	..	(6%) 30,000	420,900	67,300	..	..	..	67,300	..	..	..	..	250,000	..	250,000
1902	..	399,300	..	(6%) 59,700	459,000	65,000	..	..	..	65,000	..	..	..	..	100,000	..	100,000
1903	1,000,000	(4½%) 3,700	1,003,700	65,000	..	..	..	65,000	..	..	..	..	150,000	..	150,000
1904	..	58,000	..	..	58,000	37,500	25,000	..	..	72,500	..	..	..	..	54,300	..	151,400
1905	..	901,500	..	(6%) 2,300	903,800	47,500	25,000	..	..	72,500	..	..	..	..	..	..	151,400
1906	..	224,900	..	..	224,900	37,500	..	..	..	37,500	..	..	..	..	..	..	..
1907	37,500	..	1,000,000	..	1,037,500	..	..	..	1,000,000	(14) 500,000	..	1,500,000
1908	1,450,000	..	1,450,000	11,000	..	1,940,100	..	1,951,100	..	..	..	283,000	117,000	..	400,000
1909	1,799,500	..	1,799,500	28,100	..	3,094,600	..	3,122,700	..	..	..	..	..	{ (3½%) 349,000 }	389,000
1910	2,868,700	..	2,868,700	60,300	50,000	..	..	60,300	..	..	25,000	..	385,925	..	410,925
1911	18,300	18,300	..	..	..	68,300	..	..	..	..	..	..	..
1912	2,609,350	(3%) 3,232,622	5,841,972	35,000	50,000	..	..	85,000	..	..	..	..	..	..	..
1913	46,300	..	..	..	46,300	..	..	..	469,600	..	..	497,500
1914	35,000	..	..	..	35,000	..	..	..	12,300	..	..	333,800
1915	25,000	10,000	..	..	35,000	..	..	..	..	..	..	3,800
1916	20,000	26,000	1,917,300	(3%) 3,151,710 ⁰⁰	6,675,410	..	..	..	..	..	..	12,200
1917	20,000	26,000	1,560,400 ⁽¹⁸⁾	..	3,546,200	..	..	..	..	..	..	..
1918	12,826,200	..	12,826,200	9,900	26,000	2,182,400 ⁽¹⁹⁾	..	1,474,400	..	..	..	..	..	..	..
1919-20	(1919) 220,050	220,050	..	26,000	..	{ (3½% 1920) 310,300 }	362,300	..	..	..	..	..	..	..
1924	16,500,000	(3) 198,065	16,698,065	..	..	1,651,300	..	1,651,300	..	..	..	..	..	..	..
1925	(3) 222,255	222,255	..	..	..	..	889,500	..	..	..	..	..	..	..
1926	(3) 5,500,000	5,500,000	..	..	(1929) 200,000	..	3,952,700	..	..	..	..	..	..	..
1929-45	(1933) 9,686,300	15,186,300	..	..	..	..	3,052,700 [†]
Annual Drawings
Indefinite	..	2,700	..	..	..	..	..	..	..	..	..	..	..	..	..	..	429,000
Total	1,708,000	21,065,439	29,326,200	9,473,192	61,572,831	726,200	290,000	16,302,400	7,597,710	24,916,310	56,000	807,200	285,402	31,146,402	8,651,482	6,011,120	46,937,606

NOTE.—The earliest date of repayment is given in all cases. When it is optional to continue the loan for a further term of years, without redemption, such period is shown in brackets after the amount. When the term is indefinite the sign ∞ appears. * Excepting one case of 3 per cents, as indicated. † Including £332,900 due in 1936. ‡ Assumed to be 3½ per cent. The interest payable is ½ per cent. over the bank rate, which of course is constantly varying.

EXHIBIT No. 25.

LETTER FROM R. L. NASH.

SIR,—

Daily Telegraph Office, Sydney, 23rd March, 1901.

Since my evidence was taken I have gone through the records available here, so as to ascertain more closely how the Colony of New Zealand would be affected financially and commercially by entering the Commonwealth. The result, I consider, does not materially modify my evidence at any point. Briefly, I embodied the figures in the accompanying statement in the *Daily Telegraph*, because it is desirable to attract public attention to the points under consideration by the Royal Commission.

The revenues and expenditures of New Zealand which would be transferred to the Federal Government I have taken as under:—

Revenues transferred.				Expenditures transferred.			
			£				£
Customs and excise	..	..	2,190,000	Defence ..	..	..	150,000
Posts and telegraphs	..	..	490,000	Posts and telegraphs	..	..	390,000
Other (say)	..	..	20,000	Customs	..	..	75,000
				Property transferred (interest at 3½ per cent.; upkeep at 1½ per cent.)	..	..	110,000
				Other (say)	..	..	75,000
							800,000
				Excess of revenue transferred	..	..	1,900,000
Total	..	..	2,700,000	Total	..	..	2,700,000

Probably the revenue from posts and telegraphs will be less under the universal penny postage, and the expenditure under that head greater. I have no data as to the value of New Zealand property which would be transferred, and I have taken it roughly at nearly £2,500,000. The allowances for "other revenue" and "other expenditure" need more accurate determination; but the *excess of revenue transferred* cannot, I think, be very far wide of the actual amount.

The estimate I have formed is that, including New Zealand, the Commonwealth would be compelled to raise £10,500,000 by the tariff, and that the return to New Zealand, based on present figures, would be about £1,550,000, as under:—

Proportion of £10,500,000 tariff collected in New Zealand	..	..	£ 1,950,000
Less—Commonwealth requirements, as above	..	..	290,000
Proportion of new expenditure	..	..	110,000
			400,000
Balance returnable	..	..	£1,550,000

All figures and estimates must be expected to expand gradually from year to year.

What reason is there for the assumption that the Commonwealth would have to raise £10,500,000 by the tariff? In the first year or so the Commonwealth might itself need rather less. Afterwards it is certain to need more. But to at least four of the States (a majority) £10,500,000 will certainly be needed, and the Commonwealth must provide the funds.

The yield of the New Zealand section of the tariff under federation would, on the £10,500,000 basis, probably be lessened by about 12 per cent. There would be larger returns upon tea, rice, and some other imports, which would in part compensate losses under other heads. But it is perfectly certain, whether Protectionists or Free-traders are in office, the Commonwealth must have a tariff which will yield a high revenue to all the States.

At present the yield of the New Zealand tariff reaches about 22·3 per cent. of the total raised in Australasia. After federation I consider that 20 per cent. would be a fair estimate, but I have in the above estimates allowed for only 19 per cent., so as to be quite on the safe side.

I am strongly of opinion that New Zealand should join the Federation within the next few years; and I think that if she stipulated that the Commonwealth should take over her existing debt, making no return to her whatever out of the tariff, it would be fair in her case.

I have, &c.,

R. L. NASH.

Albert Pitt, Esq.,
Chairman, New Zealand Federation Royal Commission.

EXHIBIT No. 26.

SIR,—

Registrar-General's Office, Hobart, 16th May, 1901.

In accordance with my letter of 10th instant to you, I have now much pleasure in enclosing herewith two separate tables (A and B), prepared by me to illustrate approximately the probable effects of the Federal finance provisions to each State under the following assumed conditions:—

- (a.) That the stage of the Commonwealth uniform tariff has been arrived at:
- (b.) That New Zealand has been included in the Commonwealth on equal terms with the original States:
- (c.) That £8,500,000 has been agreed upon as the aggregate amount to be derived annually from Commonwealth Customs and excise:
- (d.) That three-fourths of (c)—viz., £6,375,000—is to be returned to the several States as a surplusage, to make good the revenue deficiencies caused to each State Treasury by the transfer of its principal source of revenue (Customs and excise) to the Commonwealth:

(e.) That, owing to the practical difficulties of the so-called "book-keeping" system, the surplus (d)—£6,375,000—be distributed as nearly as possible on the basis of population.

I now, for the sake of more definite illustration, take for New Zealand the figures for the finance year ending 31st March, 1900, in order to show roughly the effect upon the New Zealand Treasury when the full effect of the conditions above assumed are brought into actual operation.

From Table A it will be seen that the gross revenue for the year stated amounted to £5,699,618. The Federal transfer will cause the local Treasury to lose £2,676,105 of this, leaving to the command of the State only a sum of £3,023,513 to provide for functions which will still have to be maintained by the State, and which in the year referred to cost to New Zealand the sum of £4,461,928. This will cause a shortage to State Treasury yearly of a sum of about £1,438,415, without looking to the loss to it of its surplus in the year referred to of £559,490, which would raise the actual loss to Treasury (not the State itself) to a sum of £1,997,905. The shortage part of this loss it is evident must be made good somehow.

If we now turn to Table B it will be seen that if even a sum of £6,375,000 be available as a Commonwealth surplus, and that it is distributed to each of the seven States on the basis of *population*, there would still be a yearly loss to New Zealand State Treasury of £363,323, without reckoning its particular surplus in the year taken as a base, which represents a further Treasury (not State) loss of £559,490, or, in all, a loss of £922,813. It must, however, be admitted that the mere surplus loss is not material. At most it can only be regarded as a loss of financial power to local Treasury, not an actual yearly loss, which, as already stated, I only estimate roughly at a sum of £363,323 yearly.

As all such estimates of the near future are necessarily based upon figures of the place and period most nearly related, and as each year's figures vary to some extent, I need hardly remind the members of your Commission that the conclusions I have arrived at can only be regarded as broadly correct.

Allowance must ever be made for existing tendencies, and for the eccentricities of trade and finance cycles, which usually have a complete range of from eight to eleven years.

In these observations and tables I hope I have answered as far as possible all the remaining questions put to me by your Commission.

I have, &c.,

R. M. JOHNSTON,
Government Statistician, Tasmania.

Morris Fox, Esq., Secretary Federal Royal Commission, Wellington, New Zealand.

TABLE A.

FEDERAL FINANCE.—Statement for the Year 1899–1900, showing the State Revenue and State Forms of Expenditure which would remain undisturbed by Federal Transfer; also showing for the same Year the Amount of Shortage which would require to be made good by the Creation and Proper Distribution of a Federal Surplus as Compensation for Loss caused by Federal Transfer:—

	New South Wales. ^b	Victoria. ^c	Queens- land. ^b	South Australia. ^c	Western Australia. ^b	Tas- mania. ^a	New Zealand. ^d	Seven Colonies.
<i>Revenue.</i>								
Gross revenue	9,973,736	7,396,944	4,588,207	2,731,208	2,875,396	943,970	5,699,618	34,209,079
Less—Customs	1,397,227	1,918,721	1,461,690	591,813	904,802	425,574	2,107,567	8,807,394
Excise	388,394	315,721	148,423	37,415	28,915	22,546	80,292	971,706
Post and telegraph ..	800,480	553,672	309,471	254,552	208,108	92,096	488,246	2,706,625
Total revenue transferred ..	2,536,101	2,788,114	1,919,584	883,780	1,141,825	540,216	2,676,105	12,485,725
Total undisturbed revenue..	7,437,635	4,608,830	2,668,623	1,847,428	1,733,571	403,754	3,023,513	21,723,354
<i>Expenditure.</i>								
Gross expenditure	9,811,402	7,114,706	4,540,418	2,777,614	2,615,675	871,454	5,140,128	32,871,397
Less—Post and telegraph ..	754,527	514,500	362,908	213,384	239,309	78,095	388,582	2,551,305
Customs and excise	54,222	66,290	59,609	26,418	28,765	8,851	35,623	279,783
Defences	247,677	197,585	102,964	32,777	31,484	17,473	162,940	792,900
Harbours, lights, and bea- cons	67,892	29,802	64,765	16,214	16,928	..	91,050	286,651
Quarantine	4,011	3,000	17,536	717	809	..	..	26,073
Total expenditure transferred	1,128,329	811,177	607,782	289,510	317,295	104,419	678,200	3,936,712
Total undisturbed expendi- ture	8,683,073	6,303,529	3,932,636	2,488,104	2,298,380	767,035	4,461,928	28,934,685
State shortage { Including surplus	1,407,772	1,976,937	1,311,802	594,270	324,530	435,797	1,997,905	8,549,013
{ Deduct surplus	162,334	282,238	47,789	(-)46,406	259,721	72,516	559,490	1,337,682
{ Actual State deficiency	1,245,438	1,694,699	1,264,013	640,676	564,809	363,281	1,438,415	7,211,331

^a Finance year ended 31st December, 1899. ^b Finance year ended 30th June, 1900. ^c Finance year ended 30th June, 1899. ^d Finance year ended 31st March, 1900.

EXHIBIT No. 26—continued.

TABLE B.

FEDERAL FINANCE.—Statement for the Year 1899-1900.

Statement based upon the Figures for the Financial Year 1899-1900, showing the Amount of the State Revenue and Expenditure which will remain to the several States undisturbed by Federal Transfer; also showing the Excess or Shortage to each State on the Assumption that Three-fourths of an Aggregate Commonwealth Revenue of £8,500,000 from Customs and Excise are distributed among the Seven States in the Proportion of their respective Populations.

	New South Wales. ^b	Victoria. ^c	Queens- land. ^b	South Australia. ^c	Western Australia. ^b	Tas- mania. ^a	New Zealand. ^d	Seven States.
Revenue remaining to State ..	£ 7,437,635	£ 4,608,830	£ 2,668,623	£ 1,847,428	£ 1,733,571	£ 403,754	£ 3,023,513	£ 21,723,354
Expenditure	8,683,073	6,303,529	3,932,636	2,488,104	2,298,380	767,035	4,461,928	23,934,685
State deficiency	1,245,438	1,694,699	1,264,013	640,676	564,809	363,281	1,438,415	7,211,331
Less proportion of £6,375,000* sur- plus distributed on basis of population	1,927,966	1,653,343	685,553	530,619	243,059	259,368	1,075,092	6,375,000
State surplus	682,523	..	..	..	..	..	..	..
State deficiency .. ..	..	41,356	578,460	110,057	321,750	103,913	363,323	836,331
Add State surplus enjoyed prior to transfer	162,334	282,238	47,789	(-)46,406	259,721	72,516	559,490	1,337,682
Total State gain by transfer ..	520,194	..	..	..	..	..	..	..
Total State loss by transfer ..	..	323,594	626,249	63,651	581,471	176,429	922,813	2,174,013

* Three-fourths of a revenue of £8,500,000.

^a Finance year ended 31st December, 1899. ^b Finance year ended 30th June, 1900. ^c Finance year ended 30th June, 1899. ^d Finance year ended 31st March, 1900.

EXHIBIT No. 27.

LETTER FROM SECRETARY, TRADES HALL, DUNEDIN.

SIR,—

Trades Hall, Dunedin, 18th March, 1901.

I am instructed by the Otago Trades and Labour Council to forward you the following resolution passed at a meeting held on the 8th instant:—

“(1.) That the Otago Trades and Labour Council, while noting that most of the witnesses who recently gave evidence before the Royal Commission declare that the proposed federation of New Zealand with Australia would be disastrous to the colony from several points of view—social, political, and industrial—respectfully ask the electors to vote against the federation of New Zealand with the Australian Commonwealth while we retain our independence under the British flag. (2.) That a copy of this motion be sent to the Hon. Colonel Pitt, Chairman of the Royal Commission on Federation.”

Yours, &c.,

R. SLATER, Secretary.

Hon. Colonel Pitt, Chairman, Federation Commission.

EXHIBIT No. 28.

REASONS FOR NOT FEDERATING.—PRÉCIS OF RESOLUTIONS SUBMITTED FOR DISCUSSION AND CARRIED UNANIMOUSLY AT THE MEETING OF THE OTAGO KNIGHTS OF LABOUR ON WEDNESDAY, 20TH MARCH, 1901.

IN the opinion of this assembly, New Zealand has much to lose and little to gain by federating with the Commonwealth of Australia, and that this resolution and the grounds on which it is founded, and hereto appended, be forwarded to the Federation Commission.

Self-reliance.

1. New Zealand was the first colony on which the principle of self-reliance was imposed by the withdrawal of the troops during the Maori War. The principle was accepted by the colonists, only a few along the frontier of the disturbed districts expressing anxiety, and naturally so. On this glorious principle our little colony, by pacific measures, brought the war to an end, reconciling the Natives and gradually conferring on them equal privileges.

By union, our brotherly treatment of the Maoris would be endangered, and racial distinction introduced—a grievous loss.

Harmonious Action.

2. We have had jarring and jealousies among ourselves in the past, which have been or are being settled without outside interference, satisfactory so far, each and all of them adapted to our own peculiar position, but which under the bondage of outside control would require to cross the Tasman Sea to be confirmed, very much to our loss.

Affinity.

3. It is true that with Sydney, Melbourne, and Hobart we have a community of interest in many respects, but in tropical Australia the future is involved in great mystery, which will take years to solve. In the meantime New Zealand would stand almost hand-bound to see what would eventuate, to our loss indeed.

Polity.

4. The lines on which New Zealand legislation has been based for many years past are liberal, progressive, and eminently suited to our isolated position as an almost experimental community. These lines are opposed and repugnant to the ideas of the federated States in many respects. We stand proudly prominent before the world in our social, industrial, and financial legislation. No other colony comes up to us as regards life insurance, electoral laws, land for settlement and its tenure, advances to settlers at a fair interest, labour laws, Conciliation and Arbitration Courts for trade disputes, old-age pensions, compensation for injuries, penny postage, and State coal-mines, each and all of which are being modified and altered as their practical working demands. Federating, many of these would be abrogated or suspended.

Insular.

5. Twelve hundred miles distant from an immense sparsely occupied continent, and which may never be overtaken on account of its tropic barren zone, it would be perfect madness to sink our glorious healthy little colony in a maelstrom of conflicting interests.

Intertrade.

6. Hitherto it has been supposed that Australia was the great market for our extra agricultural products. True, to a certain extent. Yet this intercolonial trade has been to our disadvantage. Our exports to Australia have not been for consumption there, but to a large extent for re-export to other parts of the world, thus putting profits into the pockets of middlemen and carriers which should have been the property of the producers. This degrading position is now being remedied by our Government arranging for steamers to different countries without reference to Australia. By joining the Commonwealth this new departure would be greatly frustrated, to our colonial loss.

Tariff.

7. A great deal is made of prohibitive duties being imposed if we do not federate. The idea is absurd that such duties would be detrimental to our interests. New Zealand produces everything required in our economy, and what with us is deficient Australia cannot supply from its own resources. The whole world is an open market to us. Australia cannot feed itself. For oats, bacon, cheese, &c., it must import or starve; and if by prohibitive duties its nearest neighbour, New Zealand, is put to a disadvantage—which cannot be done—the consumers, the workers in the Commonwealth, pay the duty out of their earnings before the food reaches their dwellings.

Disaffection.

8. The different States in the Commonwealth are already showing great signs of discontent, which will take many years and great discretion to subdue and reconcile. The conflicting interests over such an immense area are so different, bribes and sops are held out here and there to bring harmony. It will, however, be of no avail. Some of the States are now almost ripe for revolt. It is of no use: bound hard-and-fast, they cannot get clear. Can any one in New Zealand calmly contemplate the outlook from our seagirt islands and not at once conclude it would be to our loss to be involved in this disagreeable *mêlée*?

Expenses.

9. Different computations are made as to the cost of the Federal Government. The estimates rule from ten to eleven millions a year, absorbing almost the whole of the Customs and excise revenues. The Railway, Post, and Telegraph Departments are to be absorbed. The further development of the State will depend on the Federal Government; and, having no other revenue to depend upon, the State will be told to wait for the good time coming. Contrast the position of New Zealand standing alone or federated, shorn of its strength. Our position in the money-market of the world,—London Stock Exchange quotations show our credit to be higher than any of the other colonies. Our revenues, notwithstanding heavy reductions in duties, extraordinary expenditure in connection with the Transvaal War, demonstrations of loyalty, increased expenditure in other departments, will this year, quite unexpectedly, show a surplus of £400,000 available for public works. Can any one look at the picture and, contrasting it with what it would be if federating, without exclaiming, "What a fall! going back as an appendage to a big combination"—somewhat relative to New South Wales in the early days.

Gains.

10. It is asserted there would be a gain to New Zealand by federation in the matter of defence—a piece of mere "bunkum." New Zealand can defend its borders far better than Australia can do hers. On this ground, however, there can be no ground for anxiety, as, whether federated or not, we are bound to assist each other by the common ties of kinship. If one member suffer, all the others suffer with it. If the injury is threatened by an enemy, in such an emergency our big brother the Commonwealth would have to go hand in hand with us, and ask our mother Britain to come and help, and which would be done without asking.

EXHIBIT No. 29.

LETTER FROM THE SECRETARY, WORKERS' POLITICAL COMMITTEE.

SIR,—

Workers' Political Committee, Trades Hall, Dunedin, 6th May, 1901.

I am directed to forward you the following resolution, which was carried unanimously:—

“That this Committee are of the opinion that it is undesirable for New Zealand to federate with the Commonwealth of Australia, for the following reasons: (1.) That this colony is self-contained, and has the elements and resources which go to make a country great. (2.) That we believe that our wants, wishes, and aspirations will be best met and interests conserved by full and immediate local control. (3.) That the Australian members of the Commonwealth Parliament will not be able to fully understand our aspirations and sentiments. (4.) That it will jeopardize our workers and industries.”

Colonel Pitt, M.L.C.

I am, &c.,

J. H. HANSON, Secretary.

EXHIBIT No. 30.

OBSERVATIONS ON APPEALS FROM THE COURT OF APPEAL IN NEW ZEALAND.

(By His Honour the Chief Justice.)

In response to the request of the Commission I have much pleasure in making some brief observations on appeals from the Court of Appeal in New Zealand.

At present there is an appeal as of right to His Majesty in Council if the amount directly or indirectly in dispute in a civil action is £500 or upwards. (See Order in Council of 16th May, 1871.) There is also an unrepealed Order in Council of 10th May, 1860, in which an appeal is given under the like circumstances from a final judgment of the Supreme Court. The Privy Council has ruled, however, that the Courts of the colony must be exhausted before the Privy Council will entertain an appeal. There is also the right of His Majesty in Council to grant leave to appeal in any case from a judgment of the Supreme Court or of the Appeal Court.

There have been few appeals from New Zealand: the average is not quite two a year. Perhaps the uncertainty of the amount of costs, the difficulties and delays of appealing, and the fact that the Court of Appeal in New Zealand may order the judgment pronounced to be executed, on the person entitled thereto entering into security for the performance of the decision of the Privy Council, have prevented appeals. As the colony increases in population, in business, and in lawsuits, the appeals will no doubt increase.

The question of whether there should not be a Supreme Court of Appeal for the Empire, and how to make such an institution effective, is to be considered at a conference in London next year. Until the proposals of that conference are published one can hardly deal with the subject.

If such a supreme tribunal could be established there is no doubt that it would be of great service from many points of view. It would tend to weld the Empire together, and be more than a mere symbol of unity: it would be a unifying institution. It would also tend to obtain the best expression of legal knowledge as a guidance for all citizens of the Empire. These benefits cannot, perhaps, be overestimated. On the other hand, this has to be borne in mind: that if all civil causes, or even one-tenth of the civil causes, in which £500 was directly or indirectly involved were appealed to a Court sitting in London, there would be such a block of business, and such delays, that the commercial world would feel the system intolerable. Rarely is a case now decided in twelve months. One case just decided was decided by our Appeal Court on the 28th May, 1894. The outcry that has been raised in some of the States in the United States of America at the delays of appellate tribunals would be intensified in the colonies when appeals become more numerous.

There might be an ambulatory Court, some three or four of the Judges visiting Australia—say, Melbourne or Sydney—and Canada alternately. I cannot, however, speculate as to what might be done until the proposals regarding the Supreme Court of Appeal have been published.

It was to meet what will, I believe, be in the future a great pressure on the Privy Council, and long delays in commercial cases, that I thought New Zealand, even if she did not federate, might utilise the High Court of Australia to be established by the Commonwealth, as an appellate tribunal. Of course, before this could be done statutes would have to be passed by, perhaps, the Imperial Parliament, the Commonwealth, and New Zealand, making due provision for the exercise of such a jurisdiction. I admit that the decisions of the High Court might not be deemed so satisfactory as those of an Imperial Court sitting in London, but they would be more readily obtained, and that will, I believe, be soon deemed of importance when appeals become more numerous.

Provision would have to be made, perhaps, for New Zealand paying part of the cost of the High Court, having some say in the appointment of one or more Judges, and in allowing her barristers and solicitors to act in New Zealand cases, &c. And, if the High Court proves satisfactory, the suggestion of commercial cases being finally decided by the High Court may have to be considered, if not adopted.

The Commonwealth Act (63 and 64 Vict., c. 12) has not, however, save in one particular, placed the High Court of Australia on a higher judicial position than that in which the Court of Appeal of New Zealand stands. Section 74 provides that “No appeal shall be permitted to the Queen in Council from a decision of the High Court upon any question, howsoever arising, as to the limits, *inter se*, of the constitutional powers of the Commonwealth and those of any State or States, or as to the limits, *inter se*, of the constitutional powers of any two or more States, unless the High Court shall certify that the question is one which ought to be determined by Her Majesty in Council” &c.

Then there is this exception: "Except as provided in this section, this Constitution shall not impair any right which the Queen may be pleased to exercise by virtue of her Royal prerogative to grant special leave to appeal from the High Court to Her Majesty in Council. The Parliament"—that is, the Commonwealth Parliament—"may make laws limiting the matters in which such leave may be asked, but the proposed laws containing any such limitation shall be reserved by the Governor-General for Her Majesty's pleasure."

It is clear from this exception that the High Court of Australia is not a final Court of Appeal, and under its present constitution there would be no gain, but a great loss and delay, in sending cases from our Appeal Court to the High Court, the dissatisfied litigant having the right to petition for the hearing of his case in the Privy Council.

Unless the High Court of Australia were a final Court of Appeal it could not be utilised for the hearing of New Zealand cases.

I do not, therefore, see that at present, and under its present Constitution, this colony could utilise the High Court of Australia as an Appellate Court for the New Zealand Court of Appeal. If, however, the proposed Supreme Court of Appeal for the Empire is not placed on some satisfactory footing that will allow a rapid determination of appeals, then the question of making the High Court of Australia a final Appellate Court for all commercial cases, both in Australia and New Zealand, may well be considered.

I may add that four New Zealand cases were heard in the Privy Council in 1900, and they were more rapidly decided than is usual in Privy Council cases. The dates of the decision in the colony and in the Privy Council are as follows:—*Coates v. Regina*—New Zealand decision, 25th May, 1899; Privy Council, 17th February, 1900. *Wasteneys v. Wasteneys*—New Zealand decision, 5th August, 1899; Privy Council, 15th May, 1900. *Fleming v. Bank of New Zealand*—New Zealand decision, 25th May, 1899; Privy Council, 27th June, 1900. *Allan v. Morrison*—New Zealand decision, 25th May, 1899; Privy Council, 11th July, 1900.

Supreme Court Office, 14th May, 1901.

ROBERT STOUT.

EXHIBIT No. 31.

"COMMONWEALTH OF AUSTRALIA CONSTITUTION ACT."

[63 & 64 VICT.] CHAPTER 12.

AN ACT to constitute the Commonwealth of Australia.—[9th July, 1900.]

WHEREAS the people of New South Wales, Victoria, South Australia, Queensland, and Tasmania, humbly relying on the blessing of Almighty God, have agreed to unite in one indissoluble Federal Commonwealth under the Crown of the United Kingdom of Great Britain and Ireland, and under the Constitution hereby established: And whereas it is expedient to provide for the admission into the Commonwealth of other Australasian Colonies and possessions of the Queen: Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows.—

Short Title.

1. This Act may be cited as "The Commonwealth of Australia Constitution Act."

Act to extend to the Queen's successors.

2. The provisions of this Act referring to the Queen shall extend to Her Majesty's heirs and successors in the sovereignty of the United Kingdom.

Proclamation of Commonwealth.

3. It shall be lawful for the Queen, with the advice of the Privy Council, to declare by Proclamation that, on and after a day therein appointed, not being later than one year after the passing of this Act, the people of New South Wales, Victoria, South Australia, Queensland, and Tasmania, and also, if Her Majesty is satisfied that the people of Western Australia have agreed thereto, of Western Australia, shall be united in a Federal Commonwealth under the name of the Commonwealth of Australia. But the Queen may, at any time after the Proclamation, appoint a Governor-General for the Commonwealth.

Commencement of Act.

4. The Commonwealth shall be established, and the Constitution of the Commonwealth shall take effect, on and after the day so appointed. But the Parliaments of the several colonies may at any time after the passing of this Act make any such laws, to come into operation on the day so appointed, as they might have made if the Constitution had taken effect at the passing of this Act.

Operation of the Constitution and laws.

5. This Act, and all laws made by the Parliament of the Commonwealth under the Constitution, shall be binding on the Courts, Judges, and people of every State and of every part of the Commonwealth, notwithstanding anything in the laws of any State; and the laws of the Commonwealth shall be in force on all British ships, the Queen's ships of war excepted, whose first port of clearance and whose port of destination are in the Commonwealth.

Definitions.

6. "The Commonwealth" shall mean the Commonwealth of Australia as established under this Act.

"The States" shall mean such of the Colonies of New South Wales, New Zealand, Queensland, Tasmania, Victoria, Western Australia, and South Australia, including the Northern Territory of South Australia, as for the time being are parts of the Commonwealth, and such colonies or territories as may be admitted into or established by the Commonwealth as States; and each of such parts of the Commonwealth shall be called "a State."

"Original States" shall mean such States as are parts of the Commonwealth at its establishment.

Repeal of Federal Council Act. 48 and 49 Vict. c. 60.

7. "The Federal Council of Australasia Act, 1885," is hereby repealed, but so as not to affect any laws passed by the Federal Council of Australasia and in force at the establishment of the Commonwealth.

Any such law may be repealed as to any State by the Parliament of the Commonwealth, or as to any colony not being a State by the Parliament thereof.

Application of Colonial Boundaries Act. 58 and 59 Vict. c. 34.

8. After the passing of this Act "The Colonial Boundaries Act, 1895," shall not apply to any colony which becomes a State of the Commonwealth; but the Commonwealth shall be taken to be a self-governing colony for the purposes of that Act.

9. The Constitution of the Commonwealth shall be as follows:—

THE CONSTITUTION.

This Constitution is divided as follows:—

- Chapter I.—The Parliament:
 - Part I.—General:
 - Part II.—The Senate:
 - Part III.—The House of Representatives:
 - Part IV.—Both Houses of the Parliament:
 - Part V.—Powers of the Parliament:
- Chapter II.—The Executive Government:
- Chapter III.—The Judicature:
- Chapter IV.—Finance and Trade:
- Chapter V.—The States:
- Chapter VI.—New States:
- Chapter VII.—Miscellaneous:
- Chapter VIII.—Alteration of the Constitution.
- The Schedule.

CHAPTER I.—THE PARLIAMENT.

PART I.—GENERAL.

Legislative power.

1. The legislative power of the Commonwealth shall be vested in a Federal Parliament, which shall consist of the Queen, a Senate, and a House of Representatives, and which is hereinafter called "The Parliament," or "The Parliament of the Commonwealth."

Governor-General.

2. A Governor-General appointed by the Queen shall be Her Majesty's Representative in the Commonwealth, and shall have and may exercise in the Commonwealth during the Queen's pleasure, but subject to this Constitution, such powers and functions of the Queen as Her Majesty may be pleased to assign to him.

Salary of Governor-General.

3. There shall be payable to the Queen out of the Consolidated Revenue Fund of the Commonwealth, for the salary of the Governor-General, an annual sum which, until the Parliament otherwise provides, shall be ten thousand pounds.

The salary of a Governor-General shall not be altered during his continuance in office.

Provisions relating to Governor-General.

4. The provisions of this Constitution relating to the Governor-General extend and apply to the Governor-General for the time being, or such person as the Queen may appoint to administer the Government of the Commonwealth; but no such person shall be entitled to receive any salary from the Commonwealth in respect of any other office during his administration of the Government of the Commonwealth.

Sessions of Parliament. Prorogation and dissolution. Summoning Parliament. First session.

5. The Governor-General may appoint such times for holding the sessions of the Parliament as he thinks fit, and may also from time to time, by Proclamation or otherwise, prorogue the Parliament, and may in like manner dissolve the House of Representatives.

After any general election the Parliament shall be summoned to meet not later than thirty days after the day appointed for the return of the writs.

The Parliament shall be summoned to meet not later than six months after the establishment of the Commonwealth.

Yearly session of Parliament.

6. There shall be a session of the Parliament once at least in every year, so that twelve months shall not intervene between the last sitting of the Parliament in one session and its first sitting in the next session.

PART II.—THE SENATE.

The Senate.

7. The Senate shall be composed of Senators for each State, directly chosen by the people of the State, voting, until the Parliament otherwise provides, as one electorate.

But until the Parliament of the Commonwealth otherwise provides, the Parliament of the State of Queensland, if that State be an Original State, may make laws dividing the State into divisions and determining the number of Senators to be chosen for each division, and in the absence of such provision the State shall be one electorate.

Until the Parliament otherwise provides there shall be six Senators for each Original State. The Parliament may make laws increasing or diminishing the number of Senators for each State, but so that equal representation of the several Original States shall be maintained, and that no Original State shall have less than six Senators.

The Senators shall be chosen for a term of six years, and the names of the Senators chosen for each State shall be certified by the Governor to the Governor-General.

Qualification of electors.

8. The qualification of electors of Senators shall be in each State that which is prescribed by this Constitution, or by the Parliament, as the qualification for electors of members of the House of Representatives: but in the choosing of Senators each elector shall vote only once.

Method of election of Senators. Times and places.

9. The Parliament of the Commonwealth may make laws prescribing the method of choosing Senators, but so that the method shall be uniform for all the States. Subject to any such law, the Parliament of each State may make laws prescribing the method of choosing the Senators for that State.

The Parliament of a State may make laws for determining the times and places of elections of Senators for the State.

Application of State laws.

10. Until the Parliament otherwise provides, but subject to this Constitution, the laws in force in each State for the time being relating to elections for the more numerous House of the Parliament of the State shall, as nearly as practicable, apply to elections of Senators for the State.

Failure to choose Senators.

11. The Senate may proceed to the despatch of business, notwithstanding the failure of any State to provide for its representation in the Senate.

Issue of writs.

12. The Governor of any State may cause writs to be issued for elections of Senators for the State. In case of the dissolution of the Senate the writs shall be issued within ten days from the proclamation of such dissolution.

Rotation of Senators.

13. As soon as may be after the Senate first meets, and after each first meeting of the Senate following a dissolution thereof, the Senate shall divide the Senators chosen for each State into two classes, as nearly equal in number as practicable; and the places of the Senators of the first class shall become vacant at the expiration of the third year, and the places of those of the second class at the expiration of the sixth year, from the beginning of their term of service; and afterwards the places of Senators shall become vacant at the expiration of six years from the beginning of their term of service.

The election to fill vacant places shall be made in the year at the expiration of which the places are to become vacant.

For the purposes of this section the term of service of a Senator shall be taken to begin on the first day of January following the day of his election, except in the case of the first election and of the election next after any dissolution of the Senate, when it shall be taken to begin on the first day of January preceding the day of his election.

Further provision for rotation.

14. Whenever the number of Senators for a State is increased or diminished, the Parliament of the Commonwealth may make such provision for the vacating of the places of Senators for the State as it deems necessary to maintain regularity in the rotation.

Casual vacancies.

15. If the place of a Senator becomes vacant before the expiration of his term of service, the Houses of Parliament of the State for which he was chosen shall, sitting and voting together, choose a person to hold the place until the expiration of the term, or until the election of a successor as hereinafter provided, whichever first happens. But if the Houses of Parliament of the State are not in session at the time when the vacancy is notified, the Governor of the State, with the advice of the Executive Council thereof, may appoint a person to hold the place until the expiration of fourteen days after the beginning of the next session of the Parliament of the State, or until the election of a successor, whichever first happens.

At the next general election of members of the House of Representatives, or at the next election of Senators for the State, whichever first happens, a successor shall, if the term has not then expired, be chosen to hold the place from the date of his election until the expiration of the term.

The name of any Senator so chosen or appointed shall be certified by the Governor of the State to the Governor-General.

Qualifications of Senator.

16. The qualifications of a Senator shall be the same as those of a member of the House of Representatives.

Election of President.

17. The Senate shall, before proceeding to the despatch of any other business, choose a Senator to be the President of the Senate; and as often as the office of President becomes vacant the Senate shall again choose a Senator to be the President.

The President shall cease to hold his office if he ceases to be a Senator. He may be removed from office by a vote of the Senate, or he may resign his office or his seat by writing addressed to the Governor-General.

Absence of President.

18. Before or during any absence of the President, the Senate may choose a Senator to perform his duties in his absence.

Resignation of Senator.

19. A Senator may, by writing addressed to the President, or to the Governor-General if there is no President or if the President is absent from the Commonwealth, resign his place, which thereupon shall become vacant.

Vacancy by absence.

20. The place of a Senator shall become vacant if for two consecutive months of any session of the Parliament he, without the permission of the Senate, fails to attend the Senate.

Vacancy to be notified.

21. Whenever a vacancy happens in the Senate, the President, or if there is no President or if the President is absent from the Commonwealth the Governor-General, shall notify the same to the Governor of the State in the representation of which the vacancy has happened.

Quorum.

22. Until the Parliament otherwise provides, the presence of at least one-third of the whole number of the Senators shall be necessary to constitute a meeting of the Senate for the exercise of its powers.

Voting in Senate.

23. Questions arising in the Senate shall be determined by a majority of votes, and each Senator shall have one vote. The President shall in all cases be entitled to a vote; and when the votes are equal the question shall pass in the negative.

PART III.—THE HOUSE OF REPRESENTATIVES.

Constitution of House of Representatives.

24. The House of Representatives shall be composed of members directly chosen by the people of the Commonwealth, and the number of such members shall be, as nearly as practicable, twice the number of the Senators.

The number of members chosen in the several States shall be in proportion to the respective numbers of their people, and shall, until the Parliament otherwise provides, be determined, whenever necessary, in the following manner:—

- (1.) A quota shall be ascertained by dividing the number of the people of the Commonwealth, as shown by the latest statistics of the Commonwealth, by twice the number of the Senators.
- (2.) The number of members to be chosen in each State shall be determined by dividing the number of the people of the State, as shown by the latest statistics of the Commonwealth, by the quota; and if on such division there is a remainder greater than one-half of the quota, one more member shall be chosen in the State.

But notwithstanding anything in this section, five members at least shall be chosen in each Original State.

Provision as to races disqualified from voting.

25. For the purposes of the last section, if by the law of any State all persons of any race are disqualified from voting at elections for the more numerous House of Parliament of the State, then, in reckoning the number of the people of the State or of the Commonwealth, persons of that race resident in that State shall not be counted.

Representatives in first Parliament.

26. Notwithstanding anything in section twenty-four, the number of members to be chosen in each State at the first election shall be as follows: New South Wales, twenty-three; Victoria, twenty; Queensland, eight; South Australia, six; Tasmania, five.

Provided that if Western Australia is an Original State, the numbers shall be as follows: New South Wales, twenty-six; Victoria, twenty-three; Queensland, nine; South Australia, seven; Western Australia, five; Tasmania, five.

Alteration of number of members.

27. Subject to this Constitution, the Parliament may make laws for increasing or diminishing the number of the members of the House of Representatives.

Duration of House of Representatives.

28. Every House of Representatives shall continue for three years from the first meeting of the House, and no longer, but may be sooner dissolved by the Governor-General.

Electoral divisions.

29. Until the Parliament of the Commonwealth otherwise provides, the Parliament of any State may make laws for determining the divisions in each State for which members of the House of Representatives may be chosen, and the number of members to be chosen for each division. A division shall not be formed out of parts of different States.

In the absence of other provision, each State shall be one electorate.

Qualification of electors.

30. Until the Parliament otherwise provides, the qualification of electors of members of the House of Representatives shall be in each State that which is prescribed by the law of the State as the qualification of electors of the more numerous House of Parliament of the State; but in the choosing of members each elector shall vote only once.

Application of State laws.

31. Until the Parliament otherwise provides, but subject to this Constitution, the laws in force in each State for the time being relating to elections for the more numerous House of the Parliament of the State shall, as nearly as practicable, apply to elections in the State of members of the House of Representatives.

Writs for general election.

32. The Governor-General in Council may cause writs to be issued for general elections of members of the House of Representatives.

After the first general election, the writs shall be issued within ten days from the expiry of a House of Representatives or from the proclamation of a dissolution thereof.

Writs for vacancies.

33. Whenever a vacancy happens in the House of Representatives, the Speaker shall issue his writ for the election of a new member; or, if there is no Speaker, or if he is absent from the Commonwealth, the Governor-General in Council may issue the writ.

Qualifications of members.

34. Until the Parliament otherwise provides, the qualifications of a member of the House of Representatives shall be as follows:—

- (1.) He must be of the full age of twenty-one years, and must be an elector entitled to vote at the election of members of the House of Representatives, or a person qualified to become such elector, and must have been for three years at the least a resident within the limits of the Commonwealth as existing at the time when he is chosen:
- (2.) He must be a subject of the Queen, either natural-born or for at least five years naturalised under a law of the United Kingdom, or of a colony which has become or becomes a State, or of the Commonwealth, or of a State.

Election of Speaker.

35. The House of Representatives shall, before proceeding to the despatch of any other business, choose a member to be the Speaker of the House, and as often as the office of Speaker becomes vacant the House shall again choose a member to be the Speaker.

The Speaker shall cease to hold his office if he ceases to be a member. He may be removed from office by a vote of the House, or he may resign his office or his seat by writing addressed to the Governor-General.

Absence of Speaker.

36. Before or during any absence of the Speaker, the House of Representatives may choose a member to perform his duties in his absence.

Resignation of member.

37. A member may by writing addressed to the Speaker, or to the Governor-General if there is no Speaker or the Speaker is absent from the Commonwealth, resign his place, which thereupon shall become vacant.

Vacancy by absence.

38. The place of a member shall become vacant if for two consecutive months of any session of the Parliament he, without the permission of the House, fails to attend the House.

Quorum.

39. Until the Parliament otherwise provides, the presence of at least one-third of the whole number of the members of the House of Representatives shall be necessary to constitute a meeting of the House for the exercise of its powers.

Voting in House of Representatives.

40. Questions arising in the House of Representatives shall be determined by a majority of votes other than that of the Speaker. The Speaker shall not vote unless the numbers are equal, and then he shall have a casting-vote.

PART IV.—BOTH HOUSES OF THE PARLIAMENT.

Right of electors of States.

41. No adult person who has or acquires a right to vote at elections for the more numerous House of Parliament of a State shall, while the right continues, be prevented by any law of the Commonwealth from voting at elections for either House of the Parliament of the Commonwealth.

Oath or affirmation of allegiance.

42. Every Senator and every member of the House of Representatives shall before taking his seat make and subscribe before the Governor-General, or some person authorised by him, an oath or affirmation of allegiance in the form set forth in the Schedule to this Constitution.

Member of one House ineligible for other.

43. A member of either House of the Parliament shall be incapable of being chosen or of sitting as a member of the other House.

Disqualification.

44. Any person who—

- (1.) Is under any acknowledgment of allegiance, obedience, or adherence to a foreign Power, or is a subject or a citizen, or entitled to the rights or privileges of a subject or a citizen, of a foreign Power: or
- (2.) Is attainted of treason, or has been convicted and is under sentence, or subject to be sentenced, for any offence punishable under the law of the Commonwealth or of a State by imprisonment for one year or longer: or
- (3.) Is an undischarged bankrupt or insolvent: or
- (4.) Holds any office of profit under the Crown, or any pension payable during the pleasure of the Crown out of any of the revenues of the Commonwealth: or
- (5.) Has any direct or indirect pecuniary interest in any agreement with the Public Service of the Commonwealth otherwise than as a member and in common with the other members of an incorporated company consisting of more than twenty-five persons:

shall be incapable of being chosen or of sitting as a Senator or a member of the House of Representatives.

But subsection (4) does not apply to the office of any of the Queen's Ministers of State for the Commonwealth, or of any of the Queen's Ministers for a State, or to the receipt of pay, half-pay, or a pension by any person as an officer or member of the Queen's navy or army, or to the receipt of pay as an officer or member of the naval or military forces of the Commonwealth by any person whose services are not wholly employed by the Commonwealth.

Vacancy on happening of disqualification.

45. If a Senator or member of the House of Representatives—

- (1.) Becomes subject to any of the disabilities mentioned in the last preceding section: or
- (2.) Takes the benefit, whether by assignment, composition, or otherwise, of any law relating to bankrupt or insolvent debtors: or
- (3.) Directly or indirectly takes or agrees to take any fee or honorarium for services rendered to the Commonwealth, or for services rendered in the Parliament to any person or State:

his place shall thereupon become vacant.

Penalty for sitting when disqualified.

46. Until the Parliament otherwise provides, any person declared by this Constitution to be incapable of sitting as a Senator or as a member of the House of Representatives shall, for every day on which he so sits, be liable to pay the sum of one hundred pounds to any person who sues for it in any Court of competent jurisdiction.

Disputed elections.

47. Until the Parliament otherwise provides, any question respecting the qualification of a Senator or of a member of the House of Representatives, or respecting a vacancy in either House of the Parliament, and any question of a disputed election to either House, shall be determined by the House in which the question arises.

Allowance to members.

48. Until the Parliament otherwise provides, each Senator and each member of the House of Representatives shall receive an allowance of four hundred pounds a year, to be reckoned from the day on which he takes his seat.

Privileges, &c., of Houses.

49. The powers, privileges, and immunities of the Senate and of the House of Representatives, and of the members and the committees of each House, shall be such as are declared by the Parliament, and until declared shall be those of the Commons House of Parliament of the United Kingdom, and of its members and committees, at the establishment of the Commonwealth.

Rules and orders.

50. Each House of the Parliament may make rules and orders with respect to—

- (1.) The mode in which its powers, privileges, and immunities may be exercised and upheld:
- (2.) The order and conduct of its business and proceedings, either separately or jointly with the other House.

PART V.—POWERS OF THE PARLIAMENT.

Legislative powers of the Parliament.

51. The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to—

- (1.) Trade and commerce with other countries, and among the States :
- (2.) Taxation ; but so as not to discriminate between States or parts of States :
- (3.) Bounties on the production or export of goods, but so that such bounties shall be uniform throughout the Commonwealth :
- (4.) Borrowing money on the public credit of the Commonwealth :
- (5.) Postal, telegraphic, telephonic, and other like services :
- (6.) The naval and military defence of the Commonwealth and of the several States, and the control of the forces to execute and maintain the laws of the Commonwealth :
- (7.) Lighthouses, lightships, beacons and buoys :
- (8.) Astronomical and meteorological observations :
- (9.) Quarantine :
- (10.) Fisheries in Australian waters beyond territorial limits :
- (11.) Census and statistics :
- (12.) Currency, coinage, and legal tender :
- (13.) Banking, other than State banking ; also State banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money :
- (14.) Insurance, other than State insurance ; also State insurance extending beyond the limits of the State concerned :
- (15.) Weights and measures :
- (16.) Bills of exchange and promissory notes :
- (17.) Bankruptcy and insolvency :
- (18.) Copyrights, patents of inventions and designs, and trade marks :
- (19.) Naturalisation and aliens :
- (20.) Foreign corporations, and trading or financial corporations formed within the limits of the Commonwealth :
- (21.) Marriage :
- (22.) Divorce and matrimonial causes ; and, in relation thereto, parental rights, and the custody and guardianship of infants :
- (23.) Invalid and old-age pensions :
- (24.) The service and execution throughout the Commonwealth of the civil and criminal process and the judgments of the Courts of the States :
- (25.) The recognition throughout the Commonwealth of the laws, the public Acts and records, and the judicial proceedings of the States :
- (26.) The people of any race, other than the aboriginal race in any State, for whom it is deemed necessary to make special laws :
- (27.) Immigration and emigration :
- (28.) The influx of criminals :
- (29.) External affairs :
- (30.) The relations of the Commonwealth with the islands of the Pacific :
- (31.) The acquisition of property on just terms from any State or person for any purpose in respect of which the Parliament has power to make laws :
- (32.) The control of railways with respect to transport for the naval and military purposes of the Commonwealth :
- (33.) The acquisition, with the consent of a State, of any railways of the State on terms arranged between the Commonwealth and the State :
- (34.) Railway construction and extension in any State with the consent of that State :
- (35.) Conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one State :
- (36.) Matters in respect of which this Constitution makes provision until the Parliament otherwise provides :
- (37.) Matters referred to the Parliament of the Commonwealth by the Parliament or Parliaments of any State or States, but so that the law shall extend only to States by whose Parliaments the matter is referred, or which afterwards adopt the law :
- (38.) The exercise within the Commonwealth, at the request or with the concurrence of the Parliaments of all the States directly concerned, of any power which can at the establishment of this Constitution be exercised only by the Parliament of the United Kingdom or by the Federal Council of Australasia :
- (39.) Matters incidental to the execution of any power vested by this Constitution in the Parliament or in either House thereof, or in the Government of the Commonwealth, or in the Federal Judicature, or in any department or officer of the Commonwealth.

Exclusive powers of the Parliament.

52. The Parliament shall, subject to this Constitution, have exclusive power to make laws for the peace, order, and good government of the Commonwealth with respect to—

- (1.) The seat of government of the Commonwealth, and all places acquired by the Commonwealth for public purposes :
- (2.) Matters relating to any department of the public service the control of which is by this Constitution transferred to the Executive Government of the Commonwealth :
- (3.) Other matters declared by this Constitution to be within the exclusive power of the Parliament.

Powers of the Houses in respect of legislation.

53. Proposed laws appropriating revenue or moneys, or imposing taxation, shall not originate in the Senate. But a proposed law shall not be taken to appropriate revenue or moneys, or to impose taxation, by reason only of its containing provisions for the imposition or appropriation of fines or other pecuniary penalties, or for the demand, or payment, or appropriation of fees for licenses, or fees for services under the proposed law.

The Senate may not amend proposed laws imposing taxation, or proposed laws appropriating revenue or moneys for the ordinary annual services of the Government.

The Senate may not amend any proposed law so as to increase any proposed charge or burden on the people.

The Senate may at any stage return to the House of Representatives any proposed law which the Senate may not amend, requesting, by message, the omission or amendment of any items or provisions therein. And the House of Representatives may, if it thinks fit, make any of such omissions or amendments, with or without modifications.

Except as provided in this section, the Senate shall have equal power with the House of Representatives in respect of all proposed laws.

Appropriation Bills.

54. The proposed law which appropriates revenue or moneys for the ordinary annual services of the Government shall deal only with such appropriation.

Tax Bill.

55. Laws imposing taxation shall deal only with the imposition of taxation, and any provision therein dealing with any other matter shall be of no effect.

Laws imposing taxation, except laws imposing duties of Customs or of excise, shall deal with one subject of taxation only; but laws imposing duties of Customs shall deal with duties of Customs only, and laws imposing duties of excise shall deal with duties of excise only.

Recommendation of money votes.

56. A vote, resolution, or proposed law for the appropriation of revenue or moneys shall not be passed unless the purpose of the appropriation has in the same session been recommended by message of the Governor-General to the House in which the proposal originated.

Disagreement between the Houses.

57. If the House of Representatives passes any proposed law, and the Senate rejects or fails to pass it, or passes it with amendments to which the House of Representatives will not agree, and if after an interval of three months the House of Representatives, in the same or the next session, again passes the proposed law, with or without any amendments which have been made, suggested, or agreed to by the Senate, and the Senate rejects or fails to pass it, or passes it with amendments to which the House of Representatives will not agree, the Governor-General may dissolve the Senate and the House of Representatives simultaneously. But such dissolution shall not take place within six months before the date of the expiry of the House of Representatives by effluxion of time.

If after such dissolution the House of Representatives again passes the proposed law, with or without any amendments which have been made, suggested, or agreed to by the Senate, and the Senate rejects or fails to pass it, or passes it with amendments to which the House of Representatives will not agree, the Governor-General may convene a joint sitting of the members of the Senate and of the House of Representatives.

The members present at the joint sitting may deliberate and shall vote together upon the proposed law as last proposed by the House of Representatives, and upon amendments, if any, which have been made therein by one House and not agreed to by the other, and any such amendments which are affirmed by an absolute majority of the total number of the members of the Senate and House of Representatives shall be taken to have been carried; and if the proposed law, with the amendments, if any, so carried, is affirmed by an absolute majority of the total number of the members of the Senate and House of Representatives, it shall be taken to have been duly passed by both Houses of the Parliament, and shall be presented to the Governor-General for the Queen's assent.

Royal assent to Bills.

58. When a proposed law passed by both Houses of the Parliament is presented to the Governor-General for the Queen's assent, he shall declare, according to his discretion, but subject to this Constitution, that he assents in the Queen's name, or that he withholds assent, or that he reserves the law for the Queen's pleasure.

Recommendations by Governor-General.

The Governor-General may return to the House in which it originated any proposed law so presented to him, and may transmit therewith any amendments which he may recommend, and the Houses may deal with the recommendation.

Disallowance by the Queen.

59. The Queen may disallow any law within one year from the Governor-General's assent, and such disallowance, on being made known by the Governor-General, by speech or message to each of the Houses of the Parliament, or by Proclamation, shall annul the law from the day when the disallowance is so made known.

Signification of Queen's pleasure on Bills reserved.

60. A proposed law reserved for the Queen's pleasure shall not have any force unless and until, within two years from the day on which it was presented to the Governor-General for the Queen's assent, the Governor-General makes known, by speech or message to each of the Houses of the Parliament, or by Proclamation, that it has received the Queen's assent.

CHAPTER II.—THE EXECUTIVE GOVERNMENT.

Executive power.

61. The executive power of the Commonwealth is vested in the Queen, and is exercisable by the Governor-General as the Queen's representative, and extends to the execution and maintenance of this Constitution, and of the laws of the Commonwealth.

Federal Executive Council.

62. There shall be a Federal Executive Council to advise the Governor-General in the government of the Commonwealth, and the members of the Council shall be chosen and summoned by the Governor-General and sworn as Executive Councillors, and shall hold office during his pleasure.

Provisions referring to Governor-General.

63. The provisions of this Constitution referring to the Governor-General in Council shall be construed as referring to the Governor-General acting with the advice of the Federal Executive Council.

Ministers of State. Ministers to sit in Parliament.

64. The Governor-General may appoint officers to administer such departments of State of the Commonwealth as the Governor-General in Council may establish.

Such officers shall hold office during the pleasure of the Governor-General. They shall be members of the Federal Executive Council, and shall be the Queen's Ministers of State for the Commonwealth.

After the first general election no Minister of State shall hold office for a longer period than three months unless he is or becomes a Senator or a member of the House of Representatives.

Number of Ministers.

65. Until the Parliament otherwise provides, the Ministers of State shall not exceed seven in number, and shall hold such offices as the Parliament prescribes, or, in the absence of provision, as the Governor-General directs.

Salaries of Ministers.

66. There shall be payable to the Queen, out of the Consolidated Revenue Fund of the Commonwealth, for the salaries of the Ministers of State, an annual sum which, until the Parliament otherwise provides, shall not exceed twelve thousand pounds a year.

Appointment of Civil servants.

67. Until the Parliament otherwise provides, the appointment and removal of all other officers of the Executive Government of the Commonwealth shall be vested in the Governor-General in Council, unless the appointment is delegated by the Governor-General in Council or by a law of the Commonwealth to some other authority.

Command of naval and military forces.

68. The command in chief of the naval and military forces of the Commonwealth is vested in the Governor-General as the Queen's representative.

Transfer of certain departments.

69. On a date or dates to be proclaimed by the Governor-General after the establishment of the Commonwealth, the following departments of the public service in each State shall become transferred to the Commonwealth: Posts, telegraphs, and telephones; Naval and military defence; Lighthouses, lightships, beacons and buoys; Quarantine. But the Departments of Customs and of Excise in each State shall become transferred to the Commonwealth on its establishment.

Certain powers of Governors to vest in Governor-General.

70. In respect of matters which, under this Constitution, pass to the Executive Government of the Commonwealth, all powers and functions which at the establishment of the Commonwealth are vested in the Governor of a colony, or in the Governor of a colony with the advice of his Executive Council, or in any authority of a colony, shall vest in the Governor-General, or in the Governor-General in Council, or in the authority exercising similar powers under the Commonwealth, as the case requires.

CHAPTER III.—THE JUDICATURE.

Judicial power and Courts.

71. The judicial power of the Commonwealth shall be vested in a Federal Supreme Court, to be called the High Court of Australia, and in such other Federal Courts as the Parliament creates, and in such other Courts as it invests with Federal jurisdiction. The High Court shall consist of a Chief Justice and so many other Justices, not less than two, as the Parliament prescribes.

Judges' appointment, tenure, and remuneration.

72. The Justices of the High Court and of the other Courts created by the Parliament—

- (1.) Shall be appointed by the Governor-General in Council;
- (2.) Shall not be removed except by the Governor-General in Council, on an address from both Houses of the Parliament in the same session, praying for such removal on the ground of proved misbehaviour or incapacity;
- (3.) Shall receive such remuneration as the Parliament may fix; but the remuneration shall not be diminished during their continuance in office.

Appellate jurisdiction of High Court.

73. The High Court shall have jurisdiction, with such exceptions and subject to such regulations as the Parliament prescribes, to hear and determine appeals from all judgments, decrees, orders, and sentences—

- (1.) Of any Justice or Justices exercising the original jurisdiction of the High Court :
- (2.) Of any other Federal Court, or Court exercising Federal jurisdiction, or of the Supreme Court of any State, or of any other Court of any State from which at the establishment of the Commonwealth an appeal lies to the Queen in Council :
- (3.) Of the Inter-State Commission, but as to questions of law only :

and the judgment of the High Court in all such cases shall be final and conclusive.

But no exception or regulation prescribed by the Parliament shall prevent the High Court from hearing and determining any appeal from the Supreme Court of a State in any matter in which at the establishment of the Commonwealth an appeal lies from such Supreme Court to the Queen in Council.

Until the Parliament otherwise provides, the conditions of and restrictions on appeals to the Queen in Council from the Supreme Courts of the several States shall be applicable to appeals from them to the High Court.

Appeal to Queen in Council.

74. No appeal shall be permitted to the Queen in Council from a decision of the High Court upon any question, howsoever arising, as to the limits *inter se* of the constitutional powers of the Commonwealth and those of any State or States, or as to the limits *inter se* of the constitutional powers of any two or more States, unless the High Court shall certify that the question is one which ought to be determined by Her Majesty in Council.

The High Court may so certify if satisfied that for any special reason the certificate should be granted, and thereupon an appeal shall lie to Her Majesty in Council on the question, without further leave.

Except as provided in this section, this Constitution shall not impair any right which the Queen may be pleased to exercise by virtue of her Royal prerogative to grant special leave of appeal from the High Court to Her Majesty in Council. The Parliament may make laws limiting the matters in which such leave may be asked, but proposed laws containing any such limitation shall be reserved by the Governor-General for Her Majesty's pleasure.

Original jurisdiction of High Court.

75. In all matters—

- (1.) Arising under any treaty :
- (2.) Affecting Consuls or other representatives of other countries :
- (3.) In which the Commonwealth, or a person suing or, being sued on behalf of the Commonwealth, is a party :
- (4.) Between States, or between residents of different States, or between a State and a resident of another State :
- (5.) In which a writ of mandamus or prohibition or an injunction is sought against an officer of the Commonwealth :

the High Court shall have original jurisdiction.

Additional original jurisdiction.

76. The Parliament may make laws conferring original jurisdiction on the High Court in any matter—

- (1.) Arising under this Constitution, or involving its interpretation :
- (2.) Arising under any laws made by the Parliament :
- (3.) Of Admiralty and maritime jurisdiction :
- (4.) Relating to the same subject-matter claimed under the laws of different States.

Power to define jurisdiction.

77. With respect to any of the matters mentioned in the last two sections the Parliament may make laws—

- (1.) Defining the jurisdiction of any Federal Court other than the High Court :
- (2.) Defining the extent to which the jurisdiction of any Federal Court shall be exclusive of that which belongs to or is invested in the Courts of the States :
- (3.) Investing any Court of a State with Federal jurisdiction.

Proceedings against Commonwealth or State.

78. The Parliament may make laws conferring rights to proceed against the Commonwealth or a State in respect of matters within the limits of the judicial power.

Number of Judges.

79. The Federal jurisdiction of any Court may be exercised by such number of Judges as the Parliament prescribes.

Trial by jury.

80. The trial on indictment of any offence against any law of the Commonwealth shall be by jury, and every such trial shall be held in the State where the offence was committed, and if the offence was not committed within any State the trial shall be held at such place or places as the Parliament prescribes.

CHAPTER IV.—FINANCE AND TRADE.

Consolidated Revenue Fund.

81. All revenues or moneys raised or received by the Executive Government of the Commonwealth shall form one Consolidated Revenue Fund, to be appropriated for the purposes of the Commonwealth in the manner and subject to the charges and liabilities imposed by this Constitution.

Expenditure charged thereon.

82. The costs, charges, and expenses incident to the collection, management, and receipt of the Consolidated Revenue Fund shall form the first charge thereon; and the revenue of the Commonwealth shall in the first instance be applied to the payment of the expenditure of the Commonwealth.

Money to be appropriated by law.

83. No money shall be drawn from the Treasury of the Commonwealth except under appropriation made by law.

But until the expiration of one month after the first meeting of the Parliament the Governor-General in Council may draw from the Treasury and expend such moneys as may be necessary for the maintenance of any department transferred to the Commonwealth, and for the holding of the first elections for the Parliament.

Transfer of officers.

84. When any department of the public service of a State becomes transferred to the Commonwealth, all officers of the department shall become subject to the control of the Executive Government of the Commonwealth.

Any such officer who is not retained in the service of the Commonwealth shall, unless he is appointed to some other office of equal emolument in the public service of the State, be entitled to receive from the State any pension, gratuity, or other compensation payable under the law of the State on the abolition of his office.

Any such officer who is retained in the service of the Commonwealth shall preserve all his existing and accruing rights, and shall be entitled to retire from office at the time, and on the pension or retiring-allowance, which would be permitted by the law of the State if his service with the Commonwealth were a continuation of his service with the State. Such pension or retiring-allowance shall be paid to him by the Commonwealth; but the State shall pay to the Commonwealth a part thereof, to be calculated on the proportion which his term of service with the State bears to his whole term of service, and for the purpose of the calculation his salary shall be taken to be that paid to him by the State at the time of the transfer.

Any officer who is, at the establishment of the Commonwealth, in the public service of a State, and who is, by consent of the Governor of the State with the advice of the Executive Council thereof, transferred to the public service of the Commonwealth, shall have the same rights as if he had been an officer of a department transferred to the Commonwealth and were retained in the service of the Commonwealth.

Transfer of property of State.

85. When any department of the public service of a State is transferred to the Commonwealth—

- (1.) All property of the State of any kind used exclusively in connection with the department, shall become vested in the Commonwealth; but, in the case of the departments controlling Customs and excise and bounties, for such time only as the Governor-General in Council may declare to be necessary;
- (2.) The Commonwealth may acquire any property of the State of any kind used but not exclusively used in connection with the department; the value thereof shall, if no agreement can be made, be ascertained in, as nearly as may be, the manner in which the value of land, or of an interest in land, taken by the State for public purposes is ascertained under the law of the State in force at the establishment of the Commonwealth;
- (3.) The Commonwealth shall compensate the State for the value of any property passing to the Commonwealth under this section; if no agreement can be made as to the mode of compensation it shall be determined under laws to be made by the Parliament;
- (4.) The Commonwealth shall, at the date of the transfer, assume the current obligations of the State in respect of the department transferred.

86. On the establishment of the Commonwealth, the collection and control of duties of Customs and of excise, and the control of the payment of bounties, shall pass to the Executive Government of the Commonwealth.

87. During a period of ten years after the establishment of the Commonwealth, and thereafter until the Parliament otherwise provides, of the net revenue of the Commonwealth from duties of Customs and of excise not more than one-fourth shall be applied annually by the Commonwealth towards its expenditure.

The balance shall, in accordance with this Constitution, be paid to the several States, or applied towards the payment of interest on debts of the several States taken over by the Commonwealth.

Uniform duties of Customs.

88. Uniform duties of Customs shall be imposed within two years after the establishment of the Commonwealth.

Payment to States before uniform duties.

89. Until the imposition of uniform duties of Customs—
- (1.) The Commonwealth shall credit to each State the revenues collected therein by the Commonwealth.
 - (2.) The Commonwealth shall debit to each State—
 - (a.) The expenditure therein of the Commonwealth incurred solely for the maintenance or continuance, as at the time of transfer, of any department transferred from the State to the Commonwealth;
 - (b.) The proportion of the State, according to the number of its people, in the other expenditure of the Commonwealth.
 - (3.) The Commonwealth shall pay to each State month by month the balance (if any) in favour of the State.

Exclusive power over Customs, excise, and bounties.

90. On the imposition of uniform duties of Customs the power of the Parliament to impose duties of Customs and of excise, and to grant bounties on the production or export of goods, shall become exclusive.

On the imposition of uniform duties of Customs all laws of the several States imposing duties of Customs or of excise, or offering bounties on the production or export of goods, shall cease to have effect, but any grant of or agreement for any such bounty lawfully made by or under the authority of the Government of any State shall be taken to be good if made before the thirtieth day of June, one thousand eight hundred and ninety-eight, and not otherwise.

Exceptions as to bounties.

91. Nothing in this Constitution prohibits a State from granting any aid to or bounty on mining for gold, silver, or other metals, nor from granting, with the consent of both Houses of the Parliament of the Commonwealth expressed by resolution, any aid to or bounty on the production or export of goods.

Trade within the Commonwealth to be free.

92. On the imposition of uniform duties of Customs, trade, commerce, and intercourse among the States, whether by means of internal carriage or ocean navigation, shall be absolutely free.

But, notwithstanding anything in this Constitution, goods imported before the imposition of uniform duties of Customs into any State, or into any colony which, whilst the goods remains therein, becomes a State, shall, on thence passing into another State within two years after the imposition of such duties, be liable to any duty chargeable on the importation of such goods into the Commonwealth, less any duty paid in respect of the goods on their importation.

Payment to State for five years after uniform tariffs.

93. During the first five years after the imposition of uniform duties of Customs, and thereafter until the Parliament otherwise provides—

- (1.) The duties of Customs chargeable on goods imported into a State and afterwards passing into another State for consumption, and the duties of excise paid on goods produced or manufactured in a State and afterwards passing into another State for consumption, shall be taken to have been collected not in the former but in the latter State:
- (2.) Subject to the last subsection, the Commonwealth shall credit revenue, debit expenditure, and pay balances to the several States as prescribed for the period preceding the imposition of uniform duties of Customs.

Distribution of surplus.

94. After five years from the imposition of uniform duties of Customs, the Parliament may provide, on such basis as it deems fair, for the monthly payment to the several States of all surplus revenue of the Commonwealth.

Customs duties of Western Australia.

95. Notwithstanding anything in this Constitution, the Parliament of the State of Western Australia, if that State be an Original State, may, during the first five years after the imposition of uniform duties of Customs, impose duties of Customs on goods passing into that State and not originally imported from beyond the limits of the Commonwealth; and such duties shall be collected by the Commonwealth.

But any duty so imposed on any goods shall not exceed during the first of such years the duty chargeable on the goods under the law of Western Australia in force at the imposition of uniform duties, and shall not exceed during the second, third, fourth, and fifth of such years respectively four-fifths, three-fifths, two-fifths, and one-fifth of such latter duty; and all duties imposed under this section shall cease at the expiration of the fifth year after the imposition of uniform duties.

If at any time during the five years the duty on any goods under this section is higher than the duty imposed by the Commonwealth on the importation of the like goods, then such higher duty shall be collected on the goods when imported into Western Australia from beyond the limits of the Commonwealth.

Financial assistance to States.

96. During a period of ten years after the establishment of the Commonwealth, and thereafter until the Parliament otherwise provides, the Parliament may grant financial assistance to any State on such terms and conditions as the Parliament thinks fit.

Audit.

97. Until the Parliament otherwise provides, the laws in force in any colony which has become or becomes a State, with respect to the receipt of revenue and the expenditure of money on account of the Government of the colony, and the review and audit of such receipt and expenditure, shall apply to the receipt of revenue and the expenditure of money on account of the Commonwealth in the State, in the same manner as if the Commonwealth, or the Government, or an officer of the Commonwealth, were mentioned whenever the colony, or the Government or an officer of the colony, is mentioned.

Trade and commerce includes navigation and State railways.

98. The power of the Parliament to make laws with respect to trade and commerce extends to navigation and shipping, and to railways the property of any State.

Commonwealth not to give preference.

99. The Commonwealth shall not, by any law or regulation of trade, commerce, or revenue, give preference to one State or any part thereof over another State or any part thereof.

Nor abridge right to use water.

100. The Commonwealth shall not, by any law or regulation of trade or commerce, abridge the right of a State or of the residents therein to the reasonable use of the waters of rivers for conservation or irrigation.

Inter-State Commission.

101. There shall be an Inter-State Commission, with such powers of adjudication and administration as the Parliament deems necessary, for the execution and maintenance within the Commonwealth of the provisions of this Constitution relating to trade and commerce, and of all laws made thereunder.

Parliament may forbid preferences by State.

102. The Parliament may by any law with respect to trade or commerce forbid, as to railways, any preference or discrimination by any State, or by any authority constituted under a State, if such preference or discrimination is undue and unreasonable, or unjust to any State; due regard being had to the financial responsibilities incurred by any State in connection with the construction and maintenance of its railways. But no preference or discrimination shall, within the meaning of this section, be taken to be undue and unreasonable, or unjust to any State, unless so adjudged by the Inter-State Commission.

Commissioners' appointment, tenure, and remuneration.

103. The members of the Inter-State Commission—

- (1.) Shall be appointed by the Governor-General in Council :
- (2.) Shall hold office for seven years, but may be removed within that time by the Governor-General in Council, on an address from both Houses of the Parliament in the same session praying for such removal on the ground of proved misbehaviour or incapacity :
- (3.) Shall receive such remuneration as the Parliament may fix ; but such remuneration shall not be diminished during their continuance in office.

Saving of certain rates.

104. Nothing in this Constitution shall render unlawful any rate for the carriage of goods upon a railway the property of a State if the rate is deemed by the Inter-State Commission to be necessary for the development of the territory of the State, and if the rate applies equally to goods within the State and to goods passing into the State from other States.

Taking over public debts of States.

105. The Parliament may take over from the States their public debts as existing at the establishment of the Commonwealth, or a proportion thereof, according to the respective numbers of their people as shown by the latest statistics of the Commonwealth, and may convert, renew, or consolidate such debts, or any part thereof; and the States shall indemnify the Commonwealth in respect of the debts taken over, and thereafter the interest payable in respect of the debts shall be deducted and retained from the portions of the surplus revenue of the Commonwealth payable to the several States; or if such surplus is insufficient, or if there is no surplus, then the deficiency or the whole amount shall be paid by the several States.

CHAPTER V.—THE STATES.

Saving of Constitutions.

106. The Constitution of each State of the Commonwealth shall, subject to this Constitution, continue as at the establishment of the Commonwealth, or as at the admission or establishment of the State, as the case may be, until altered in accordance with the Constitution of the State.

Saving of power of State Parliaments.

107. Every power of the Parliament of a colony which has become or becomes a State shall, unless it is by this Constitution exclusively vested in the Parliament of the Commonwealth or withdrawn from the Parliament of the State, continue as at the establishment of the Commonwealth, or as at the admission or establishment of the State, as the case may be.

Saving of State laws.

108. Every law in force in a colony which has become or becomes a State, and relating to any matter within the powers of the Parliament of the Commonwealth, shall, subject to this Constitution, continue in force in the State; and, until provision is made in that behalf by the Parliament of the Commonwealth, the Parliament of the State shall have such powers of alteration and of repeal in respect of any such law as the Parliament of the colony had until the colony became a State.

Inconsistency of laws.

109. When a law of a State is inconsistent with a law of the Commonwealth the latter shall prevail, and the former shall, to the extent of the inconsistency, be invalid.

Provisions referring to Governor.

110. The provisions of this Constitution relating to the Governor of a State extend and apply to the Governor for the time being of the State, or other chief executive officer or administrator of the government of the State.

States may surrender territory.

111. The Parliament of a State may surrender any part of the State to the Commonwealth; and upon such surrender, and the acceptance thereof by the Commonwealth, such part of the State shall become subject to the exclusive jurisdiction of the Commonwealth.

States may levy charges for inspection laws.

112. After uniform duties of Customs have been imposed, a State may levy on imports or exports, or on goods passing into or out of the State, such charges as may be necessary for executing the inspection laws of the State; but the net produce of all charges so levied shall be for the use of the Commonwealth; and any such inspection laws may be annulled by the Parliament of the Commonwealth.

Intoxicating liquids.

113. All fermented, distilled, or other intoxicating liquids passing into any State, or remaining therein for use, consumption, sale, or storage, shall be subject to the laws of the State as if such liquids had been produced in the State.

States may not raise forces. Taxation of property of Commonwealth or State.

114. A State shall not, without the consent of the Parliament of the Commonwealth, raise or maintain any naval or military force, or impose any tax on property of any kind belonging to the Commonwealth, nor shall the Commonwealth impose any tax on property of any kind belonging to a State.

States not to coin money.

115. A State shall not coin money, nor make anything but gold and silver coin a legal tender in payment of debts.

Commonwealth not to legislate in respect of religion.

116. The Commonwealth shall not make any law for establishing any religion, or for imposing any religious observance, or for prohibiting the free exercise of any religion, and no religious test shall be required as a qualification for any office or public trust under the Commonwealth.

Rights of residents in States.

117. A subject of the Queen resident in any State shall not be subject in any other State to any disability or discrimination which would not be equally applicable to him if he were a subject of the Queen resident in such other State.

Recognition of laws, &c., of States.

118. Full faith and credit shall be given throughout the Commonwealth to the laws, the public Acts and records, and the judicial proceedings of every State.

Protection of States from invasion and violence.

119. The Commonwealth shall protect every State against invasion, and, on the application of the Executive Government of the State, against domestic violence.

Custody of offenders against laws of the Commonwealth.

120. Every State shall make provision for the detention in its prisons of persons accused or convicted of offences against the laws of the Commonwealth, and for the punishment of persons convicted of such offences, and the Parliament of the Commonwealth may make laws to give effect to this provision.

CHAPTER VI.—NEW STATES.**New States may be admitted or established.**

121. The Parliament may admit to the Commonwealth or establish new States, and may upon such admission or establishment make or impose such terms and conditions, including the extent of representation in either House of the Parliament, as it thinks fit.

Government of territories.

122. The Parliament may make laws for the government of any territory surrendered by any State to and accepted by the Commonwealth, or of any territory placed by the Queen under the authority of and accepted by the Commonwealth, or otherwise acquired by the Commonwealth, and may allow the representation of such territory in either House of the Parliament to the extent and on the terms which it thinks fit.

Alteration of limits of States.

123. The Parliament of the Commonwealth may, with the consent of the Parliament of a State, and the approval of the majority of the electors of the State voting upon the question, increase, diminish, or otherwise alter the limits of the State, upon such terms and conditions as may be agreed on, and may, with the like consent, make provision respecting the effect and operation of any increase or diminution or alteration of territory in relation to any State affected.

Formation of new States.

124. A new State may be formed by separation of territory from a State, but only with the consent of the Parliament thereof; and a new State may be formed by the union of two or more States, or parts of States, but only with the consent of the Parliaments of the States affected.

CHAPTER VII.—MISCELLANEOUS.

Seat of Government.

125. The seat of Government of the Commonwealth shall be determined by the Parliament, and shall be within territory which shall have been granted to or acquired by the Commonwealth, and shall be vested in and belong to the Commonwealth, and shall be in the State of New South Wales, and be distant not less than one hundred miles from Sydney.

Such territory shall contain an area of not less than one hundred square miles, and such portion thereof as shall consist of Crown lands shall be granted to the Commonwealth without any payment therefor.

The Parliament shall sit at Melbourne until it meet at the seat of Government.

Power to Her Majesty to authorise Governor-General to appoint deputies.

126. The Queen may authorise the Governor-General to appoint any person, or any persons jointly or severally, to be his deputy or deputies within any part of the Commonwealth, and in that capacity to exercise during the pleasure of the Governor-General such powers and functions of the Governor-General as he thinks fit to assign to such deputy or deputies, subject to any limitations expressed or directions given by the Queen; but the appointment of such deputy or deputies shall not affect the exercise by the Governor-General himself of any power or function.

Aborigines not to be counted in reckoning population.

127. In reckoning the numbers of the people of the Commonwealth, or of a State or other part of the Commonwealth, aboriginal natives shall not be counted.

EXHIBIT No. 32.

CUSTOMS REVENUE, 1900-1901.

(No. 675/50.)

Department of Trade and Customs, Wellington, 13th May, 1901.

SIR,—In accordance with your request of the 10th instant, I have to inform you that the amount of Customs revenue received during the year ending 31st March, 1901, was £2,180,861 11s. 4d. The amount of excise duty was as follows: Beer, £85,170 10s.; tobacco, cigars, &c., £3,871.

I have, &c.,

Hon. Colonel Pitt, M.L.C.,

Chairman, Federal Royal Commission, Wellington.

W. T. GLASGOW,

Secretary and Inspector.

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