

—yet she might be exposed to severe competition with countries outside the Commonwealth should the Federal tariff be less protective than the present Customs tariff of New Zealand. It appears to your Commissioners, from the inquiries made by them in Australia, that the Federal tariff will probably be much less protective than any of the tariffs now in force in the States of Victoria, Tasmania, or Western Australia.

In Australia there are iron-foundries and engineering-works larger and better equipped than any in New Zealand, but our workshops are increasing fast in extent and appliances, and in many cases employ as many hands as those in Australia.

In some trades, however—notably in the boot-and-shoe, furniture, soap and candles, and ready-made-clothing factories, owing to the employment of special machinery and the specialisation of certain lines of work, and in the case of furniture owing to the employment of Chinese labour—Australia would be able to compete successfully with similar manufactures in New Zealand in the event of intercolonial free-trade existing.

After fully considering the evidence your Commissioners have come to the conclusion that, apart from the labour conditions hereafter referred to, neither the manufacturers nor the working-classes of New Zealand (except in the boot-and-shoe, furniture, soap and candle, and ready-made-clothing trades) have anything to fear from free-trade being established between New Zealand and Australia. Your Commissioners desire it to be clearly understood that they are not expressing any opinion upon the fiscal question of Free-trade or Protection, but merely stating what they believe would be the result if free-trade existed between New Zealand and Australia. Should, however, free-trade be established, your Commissioners do not consider that New Zealand would find any considerable new markets for her manufactures in Australia, as that country could supply her own requirements.

Should New Zealand favour a policy of free-trade with the rest of the world, probably she would be better able to initiate and carry out such a policy as a separate colony.

#### IX. THE SOCIAL CONDITION OF THE WORKING-CLASSES.

Your Commissioners made inquiries in Australia as to the rates of wages, hours of labour, holidays, conditions of working, and cost of living of artisans and labourers in Australia. It was proved that, so far as rates of wages (except for overtime), hours of labour, holidays, and conditions of working are concerned, there is generally little difference between skilled artisans in Victoria and New South Wales and those in New Zealand, but in the other States there seems to be little or no uniformity either as to wages or hours of labour; but the proportion of boys and girls employed to adult labour engaged in manufacturing industries in all the States is much larger than in New Zealand. In regard to unskilled labour, an attempt is being made in some of the States by the Government to establish a minimum wage of 7s. per day on public works, a rate which seems to be the rule with all contractors doing Government work, and also with large contractors on private work. In several industries not properly coming under the heading of “skilled,” but still involving greater skill than that required of a labourer, the wages paid are lower than the minimum mentioned above, whilst the hours of labour are longer than those worked in New Zealand.

The cost of living, food, and clothing is in the main lower in Australia than in New Zealand, whilst house-rent is higher. Tables showing the respective rates of wages and hours of labour in various trades, in Australia and in New Zealand, accompany this report.

There is no compulsory Industrial Conciliation and Arbitration Act in force in any of the States of the Commonwealth. In Victoria and South Australia Wages Boards have been established under the Factories Act, which practically do the same work when set up; but no such Board can be set up in Victoria except by resolution of one or other of the Houses of Parliament, and in South Australia a resolution of both Houses is necessary. Under the Victorian Act Wages Boards for twenty-six trades have been set up; and in South Australia only four trades have been brought under the operation of the statute. No