

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

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

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

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

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

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

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

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

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

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

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

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

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