

freights fluctuate very much in Australia—that sometimes you have seen wool charged 1d. a pound in Sydney when the freight here is only ½d. ?—I believe that did occur on one occasion.

99. And I think you recognise that freights here have a right to be higher on account of the difficulty of loading, through the ports being so much scattered about, involving necessarily high freights?—Undoubtedly.

100. So that you could not expect the same freights here as are enjoyed in Australia?—No ; but the reference I made was that the question was one the Government might consider, having regard to the difficulties steamship-owners have to contend with in this colony in loading at so many different ports, with port charges at each port, and with the time taken in travelling between one port and the other. For instance, the German and French steamship lines are doing a large trade with Australia, but that is only made possible by the large subsidies given by their Governments. I thought in the interests of the producers of this colony the Government should take into consideration the question of granting subsidies, so as to bring the freights to something of the same level prevailing in Australia. I am quite satisfied, for instance, that a direct trade with South Africa could not be opened up unless some assistance of that sort is given.

101. *Hon. Major Steward.*] Supposing New Zealand remained outside the Federation, and the Commonwealth tariff on oats were reduced to one-half the present Victorian tariff, would that reduction be sufficient to open the market for us?—That would mean about 7d. per bushel, and I think that would still be a sufficient handicap to keep New Zealand out.

102. So that you think the only thing that would enable us to have the benefit of a full market in Australia would be that oats should be admitted absolutely free of duty?—Of course, a nominal duty of 2d. or 3d. only would help the difficulty to be overcome.

103. *Mr. Leys.*] Our yield per acre of oats as compared with the yield of South Australia is so very high that do you not think, notwithstanding a substantial duty against us, we could still maintain a very large trade there?—I am simply going by the evidence of fact that the imposition of the duty in South Australia has killed the trade.

104. But they must be getting their oats from somewhere else than growing them, because the statistics show that there has been a decrease in the quantity of oats grown for last year as compared with the previous year. Does that not prove that South Australia is not an oat-growing colony?—Precisely ; that is what I contend—that they cannot grow oats as compared with Southland, which is more suited for growing oats. We could grow oats here for the whole of the Australian Colonies.

105. Do you think if the farmers in Australia found they could not grow oats profitably they would turn to something else, or do you think they would rather adopt the policy of doing without oats altogether than of taking oats from New Zealand?—Well, of course, they can grow them if they keep on these high duties, but it pays the farmers to keep us out.

*Mr. Leys :* But they do not seem to have done so in South Australia.

106. *Hon. Mr. Bowen.*] I asked whether Indian corn did not take the place, at a certain price, of oats in Australia?—Yes.

WILLIAM DUFFUS HUNT examined. (No. 2.)

107. *Hon. the Chairman.*] What are you?—I am a member of the firm of Wright, Stephenson, and Co., stock and station agents, grain-buyers, and manure-merchants. We deal with the farmers, and sell them pretty well everything they require.

108. Have you considered the question of New Zealand federating or not federating with the Australian Commonwealth?—No, I have not given it any consideration, excepting in so far as will affect our own business. I do not know anything about the political aspect of the question.

109. State what you think are the advantages and disadvantages?—I presume, if we do not federate, there will be a tariff wall raised against us, and that would certainly do harm to our commercial trade. My idea is that we should get free-trade with Australia somehow or another. If we cannot get it without federation we ought to federate. Australia is practically our only market outside London that we can depend on, and if they put a protected tariff on it will kill our trade there, the principal item of which is oats. Australia is our best market for oats, and if that was locked against us it would be unprofitable to grow them. This year South Africa is taking a lot of the Bluff oats, but that is a market we cannot depend on.

110. Have you considered any advantages that will accrue to the Colony of New Zealand through not federating?—If we do not federate I suppose we shall have a bigger say in our own affairs ; but I repeat it would seriously interfere with our trade.

111. Do you think you could find other markets outside Australia for your surplus produce?—Well, in getting markets we have first to get the people who want our stuff ; and, secondly, we have to get them to take it in large enough quantities to enable us to get regular communication established.

112. Do I understand that the whole of the produce shipped to Australia is consumed there, or is a great deal of it re-exported?—A great deal is re-exported.

113. Why should not New Zealand export direct to those places?—Before we could do that we should have to be able to export in sufficient quantities to make the trade pay and to warrant a direct line of communication.

114. *Hon. Mr. Bowen.*] Then, I gather that the chief item you are alluding to is the export of oats?—We trade generally with Australia. My idea is that we want to get free-trade with Australia.

115. But as far as your business is concerned it is a question of oats?—Yes ; in Southland oats is the principal thing.

116. *Hon. Captain Russell.*] Looking to the interests of the day, what effect do you think federation will have on the trade of Southland twenty years hence?—I think if we had free-trade