

are admitted duty free. My contention is, that if these things were admitted free, we could turn out manufactured articles at a price that would be conducive to the extension of trade. The duty on the articles mentioned in the list produced increased the price of the locally-manufactured article in comparison with the imported article with the duty.

48. *Mr. Pinkerton.*] You mean that the duty has been put on without benefiting anybody?—Yes.

49. Purely for revenue purposes?—Yes.

50. And upon articles that cannot be made here with advantage?—No, not with advantage. There is not the volume of trade in any particular line to make it advisable to manufacture them. For instance, corrugated-boiler furnaces are an English patent, and they are specially manufactured by people who have got a very extensive, scientific, and expensive plant, and are treated in gas furnaces. It would be simply impossible to make them, while at the same time there is a duty of 20 per cent. on them. It would be of great advantage to the trade if the Government would admit the whole list of articles free.

TUESDAY, 23RD AUGUST, 1892.

Mr. CHARLES MANLEY LUKE examined:—

1. *The Chairman.*] You are an expert in the iron-trade, and the gentlemen by whom you are accompanied are all interested in some way or another with that trade?—Yes.

2. Will you proceed to make your statement?—We are aware that a great deal of evidence has been taken on this subject. Amongst others you have had the evidence of gentlemen interested in the establishment of ironworks at New Plymouth, and the manufacture of iron at Parapara, and also the development of hæmatite iron, &c. The proposal they make is: that Parliament should impose a small tax upon the raw material, in its different forms and sizes as used in this country; also, that a percentage be put upon galvanised and corrugated iron, with the object of assisting these industries. On the other hand, evidence has been given by Mr. Cable in favour of the duties being taken off certain of these articles imported into the colony. A list of the articles, off which Mr. Cable proposed that the duty should be removed, is now, I understand, before the Committee. What we say is that, instead of imposing fresh duties, the existing duties should be taken off the articles named in that list. It would most decidedly be a mistake to impose fresh duties on any of those articles; on that point we are all agreed. I cannot speak in reference to the galvanised iron manufacture, not having any knowledge of that particular industry; but I have heard the evidence (*vide* pages 11 and 23), and I think it advisable to give some sort of assistance to that industry.

3. Will you give the Committee your reasons for thinking that the duties should be remitted instead of fresh duties being imposed?—With regard to putting a duty on what we term “raw material,” the effect I take it would be to build up one industry so as to establish for it a monopoly in the immediate future, at the expense of some hundreds of other industries, all engaged in the use of iron as a raw material, and to whom the use of these raw materials is of the first importance. In my opinion, the effect would be to destroy a large proportion of the industries either directly or indirectly dependent upon the iron-trade. Neither do I think sufficient has been shown to warrant the impost proposed as has been suggested.

4. How do you arrive at that conclusion?—There are a number of other industries besides the iron-trade itself to be considered. There is coach-building, for example, and house-building. If a duty be put on the raw material in addition to what is imposed in the meantime, the addition to the present charge would be so great as to become a great hardship upon purchasers, and it will place many articles of this kind at present in use in the colony beyond the reach of those who would otherwise be encouraged to go in for them. We find already that in some of our colonial speculations, of great importance to the enterprise of the colony, that the first cost is being of so much moment that in many cases these enterprises are not being entered into. I think that under present arrangements many of our industries are not adjusted in the matter of import duty in a way which tends to the good of the country or the benefit of those embarked in the pursuit. If those to whom this raw material is of the first importance are enabled to get it into the colony free, the result will be that many languishing industries would not merely be kept alive, but in some cases further developments would be created. Then again, it seems to me that the demand for iron in this country, since the public works-policy has been closed down, has become of such a trifling account that the proposed duty is not calculated to create more than one industry in the manufacture of iron. I believe the effect would be exactly this: the duty you put on the raw material would be put on the iron manufacture in the colony. There would be the absence of competition created when there are two or more concerns embarked in the same enterprise, and would not be to the advantage of the manufacturer. That I think is an outline of our views on this very important matter.

5. You complain that the duty proposed to be put on iron would have the effect of crushing the coach-building trade. What is the amount proposed to be put on the material belonging to that trade?—Twenty per cent. I think.

6. What would that class of iron be worth per ton?—It is difficult to calculate. Ordinary bar-iron is worth about £10.

7. *Mr. Smith.*] What is shoeing iron worth?—I should think about £12 or £12 10s.

8. *The Chairman.*] Then, do you say a burden of 20 per cent. on an article worth £10 would have the effect of crushing an industry out of the colony?—We have this fact before us: that works established for many years in the colony, obliged to import the material, have scarcely made any progress.

9. You are alluding to the coach-building trade: does the same thing apply to implement making?—I do not know.