

2. Are you speaking of the Mosgiel mill, or generally?—I am speaking generally now. Mosgiel, as well as other mills, has had its difficulties, but it is the only one that has gone on from the start without much alteration or fluctuation. At the last tariff-revision we received a little consideration—from Sir Joseph Ward, I think it was—when we were allowed to get our machinery in at 5 per cent., and our cards free; but he retained a duty of 6d. per gallon on olive-oil—an article we use considerable quantities of—because it was thought it would encourage the cultivation of olives in the colony. I urged very strongly that this duty should be taken off at the time, but it has never been done, and I would like to point out that that is one direction in which you can help us. Owing to the restricted hours of labour and the higher wages now paid in New Zealand the mills are beginning to feel the competition of Germany and England, particularly Yorkshire, where shoddy goods are made and sent to this market with such a good appearance that they are fairly killing our industry. Many of the clothing-manufacturers are feeling the competition very keenly, and say that the imported shoddy goods are made up not only much cheaper, but that in appearance they are equal to our colonial-made goods, and are taking the place of what we have been in the habit of supplying the public with. Of course, the public do not get the same value, because the stuff does not wear, and virtually they are misled by the appearance of the material; but the colonial industry suffers all the same. With regard to the better class of goods, we all make what we call a crossbred article and the finer goods required by tailors. Some of the mills have worsted plants and machinery for spinning from the comb under different systems, and this was imported to enable us to compete successfully in the manufacture of the finer goods and hosiery goods. The finer goods have always been a difficulty with us, in this way: that the tailors import cloths in suit-lengths from Home; and the practice is hurting our trade very much, because none of us can make these short lengths of 7 or  $7\frac{1}{2}$  yards long. If you go into a tailor's shop he will tell you that he cannot get what he wants in the colony, and he will take an order for a suit at £2 10s. at the present time, because he can get these short lengths through the agents of the English mills. Owing to the small population of the colony we cannot compete for this trade, and the industry suffers in consequence. At present the tariff provides for a duty of 40 per cent. on specially made imported suits, and I do not see why short lengths of cloth should not be put into the same category, because it has exactly the same effect upon us. The mills here can turn out as good stuff as is made in the west of England: we have up-to-date machinery, skilled labour, and everything required; but we have to make articles which will enable us to compete in the trade, and we have to cry out against these shoddy goods.

3. *Mr. Duthie.*] Why not make suit-lengths yourselves?—We cannot; the smallest length we can make is 25 yards.

4. How can they do it in England?—It is a matter of distribution. Manufacturers' samples are sent out here and taken round by agents, and the tailors can order suit-lengths from any stuff they care to select.

5. What remedy do you propose?—I suggest that short lengths of cloth—10 yards or under—be put in the same position as special suits and pay a duty of 40 per cent. The class of people who import suits of clothes do not object to pay the duty, because they want something special or unique. I believe that Mr. Stead stated, for instance, that he would pay 100 per cent. if he could get something different from what any one else had.

6. *Mr. Hardy.*] Would it not look strange to do what you say in face of the fact that we are often asked to make the lengths short in the shirtmaking trade?—That is because they will not be used for anything else. The only things in that connection would be tennis flannels.

7. These short lengths are brought in in order that the shirts may be made in the colony: would not the two things clash?—They are a different kind of garment. Shirts do not affect us in the same way.

8. But the tendency is to import short lengths in ladies' dress-material?—We are not interfering in that direction.

9. But there is the difficulty of these things clashing?—There would be no trouble of that kind.

10. *Sir W. R. Russell.*] You suggest a remedy to guard against the importation of short lengths, but generally in regard to the trade are you satisfied or dissatisfied with regard to the tariff?—The only remarks I desire to make with regard to the tariff relate to the duty on olive-oil, and the importation of shoddy material, which should be put in the same position as adulterated food. It is wrong to allow shoddy material to be palmed off on the people. Half the people of New Zealand do not know what shoddy material means until they have bought it and found out what it is. It is made up from old rags gathered from all quarters, which are torn up and mixed with glue and a small quantity of wool and cotton.

11. Is it not a fact—I have often heard it alleged—that many people prefer two cheap suits to one good one?—Yes; but they can get a cheap article without having shoddy material at all. You can get a low class of goods made up from locally made stuff which will hang together and not go to pieces like shoddy stuff.

12. Do I understand that you desire to prohibit the importation of cheap shoddy goods?—Yes.

13. What is the average dividend paid by the Mosgiel company?—We have been in existence for thirty years—we are now running into the thirty-first year—and our average dividend has been  $7\frac{2}{10}$  per cent.; but we have had a more successful time than any of the companies, and have never been in the clothing business. The clothing business is sometimes a very lucrative one and sometimes a very bad one. The Wellington company, for instance, may make a lot of money for one or two years, and also the Kaiapoi company, and then have a bad time.

14. Can you give us any idea of the dividends paid by the Wellington and Kaiapoi companies?—Mr. Hercus is here and may be able to tell you. The Wellington company has done very well for the last few years on account of the Government contracts they obtained, but at the present time they are crying out as much as any one.