

and in 1895 £302,423. Out of that £359,382 wool swallowed up £162,920, or more than half of that, so that that value would not be affected by the Arbitration Court's decisions?—Yes; but the wool fluctuates in price.

124. But that value would not be affected by the decisions of the Arbitration Court?—No.

125. "Other material"—I assume that includes oils, &c., imported—swallowed up £33,161. In other words, wool and other material absorbed £196,081, while wages took £112,001, or slightly under one-third of the total value of your productions?—Yes.

126. You say that the increase on wages represents from 12 to 15 per cent., and any one would infer from that that it was increasing the cost of the article to the consumer; but, assuming that the rise is from 12 to 15 per cent., it only increases the cost to the consumer by about 4 per cent.?—I should say that perhaps about 12 per cent. would do it. I am only speaking of my own wages-list and what is in my own mind.

127. According to your figures the increased cost to the consumer would be more per cent. During that period have not the appliances and improvements in machinery not more than counterbalanced that increase of 4 per cent.?—No.

128. There have been no improvements in the machinery?—Gradual improvements are always going on; but there has been an increase in the value of wool, and that will increase the cost to the consumer to a very great extent.

129. Will not the increase in value of wool affect the Home people as well as you?—Yes.

130. The small increase in the cost of production due to the increase of wages—namely, 4 per cent.—would be more than counterbalanced by improvements in the machinery and the consequent greater output through the exertions of each worker?—I cannot say it would.

131. You said that you had competition from Germany?—Well, I presume it is from Germany that the goods come.

132. Last year we imported 408,710 pounds' worth of woollen goods and blankets—I am leaving out the slop goods. Out of that total amount Germany only sent us goods to the value of £6,000?—You do not know whether that is not coming through Great Britain from Germany, and the bulk of it comes through Great Britain from Germany.

133. I cannot help being struck by these figures, showing that while the output from the mills of the colony amounted to £359,382 in 1900, and while we are importing to-day four hundred thousand pounds' worth, our imports of woollen goods show an increase of 10 per cent. per year, while the output of our factories is increasing only by 2 per cent.?—Yes.

134. Do you think that the only way you can deal with that is by increasing the duty?—I should be glad to get any suggestions from other people on this subject.

135. Do you think you would increase your output a great deal more if, as woollen-manufacturers, you brought yourselves into closer touch with the public and saved people from the heavy profits now being made by the middlemen?—The cost of distribution in New Zealand is very great, and I consider it would be a great mistake to do that.

136. You know that there are large quantities of suits which cost only £1 4s. in the mills and which are retailed at about £2 per suit?—I do not know anything about that. We do not supply clothing at all, but I believe you can get an honestly made colonial suit, wholesale, for £1.

137. *Mr. Bollard.*] In reference to the short lengths of stuff imported, and on which you wish to have a heavy duty imposed in order to prevent their importation, why do the public buy these things?—It is on account of the selection they get.

138. Why do you not make them?—We cannot make anything less than 25 yards, as I have said before.

139. *Mr. Harding.*] Do you use any linseed-oil?—No.

140. Is it not suitable for your work?—No; we use castor-oil and mineral oil for certain things.

141. You stated just now that the wool-growers were crying out about the importation of shoddy goods?—Yes.

142. Were you referring to the Farmers' Union or to any combination of wool-growers?—I was referring to articles appearing in the *Pastoralists' Review*, where it states that large growers of wool are calling attention to this particular matter.

143. Never mind Australia; give us an instance of a case in New Zealand?—I think complaints have been made somewhere in the North Island.

144. Can you give us any particular illustration?—I saw the matter mentioned in the paper.

145. Can you tell us whether these people were interested in the woollen-mills?—I do not think so. Reference was made to the fact from the wool-growers' point of view because inferior stuff was being used instead of wool.

146. Can you give us any particular cases?—I cannot give you the particular statement made, and could not say whether it was a wool-grower or a woollen-manufacturer who spoke on the matter, but, as far as I could understand, the reference was made by wool-growers.

PETER HERCUS examined. (No. 2.)

147. *The Chairman.*] You are manager of the Kaiapoi Woollen Company?—Yes.

148. Would you like to make a statement, or would you prefer to answer questions as they are put to you?—I should like to make a very brief statement. I do not wish to follow the lines laid down by Mr. Morrison, but should like rather to speak of the effect of the importation of shoddy material in connection with different lines of clothing, and more especially from my experience this season as regards the importation of ladies' jackets. My firm has largely entered upon the manufacture of ready-made clothing, and has also recently entered rather largely upon the manufacture of ladies' garments, including jackets, coats and skirts, and that sort of thing. During this season we have had