

1904.
NEW ZEALAND.

EXTENSION OF COMMERCE COMMITTEE: WOOLLEN INDUSTRY OF NEW ZEALAND.

REPORT, TOGETHER WITH MINUTES OF EVIDENCE.

Brought up on the 4th November, 1904, and ordered to be printed.

ORDER OF REFERENCE.

Extract from the Journals of the House of Representatives.

THURSDAY, THE 30TH DAY OF JUNE, 1904.

Ordered, "That Standing Order No. 218 be suspended, and that a Committee be appointed, consisting of nineteen members, to inquire into and report as to the best means of promoting the commerce of the colony, and the sale of the colony's produce in markets other than those at present obtainable; the Committee to have power to call for persons and papers; three to be a quorum: the Committee to consist of Mr. Aitken, Mr. Barber, Mr. Bollard, Mr. Buchanan, Mr. Duthie, Mr. Field, Mr. Hanan, Mr. Hardy, Mr. Harding, Mr. Hogg, Mr. Houston, Mr. Laurenson, Mr. T. Mackenzie, Mr. McNab, Mr. Millar, Sir W. R. Russell, Mr. Rutherford, Mr. Withford, and the mover."—(Hon. Sir J. G. WARD.)

REPORT.

YOUR Committee has the honour to report that it has taken evidence on the woollen industry of New Zealand, and whilst it desires to promote the use of New-Zealand-manufactured goods it cannot recommend an increase in the duty on imported materials. The Committee is, however, of opinion that imported cloths and garments should have tickets attached specifying the materials used, and also that garments made up in New Zealand of imported cloths should have a similar ticket attached.

A copy of the evidence taken in connection therewith is attached, and the Committee recommends that the same be printed.

4th November, 1904.

THOS. MACKENZIE, Chairman.

MINUTES OF EVIDENCE.

FRIDAY, 26TH AUGUST, 1904.

(A deputation representative of the woollen industry of the colony attended and gave evidence.)

JOHN H. MORRISON examined. (No. 1.)

The Chairman: We are glad to see the deputation here, and the Committee will be pleased to listen to any suggestions that may be made with a view to improving the condition of the woollen industry. Would you like to give evidence singly, or would you prefer that one should speak on behalf of the whole trade?

Mr. Morrison: We have had no conference to decide on any course of procedure, but if the Committee desires it I could give a general outline of what I consider would benefit the trade from my company's point of view and leave the other members of the deputation to express their views on other points afterwards.

1. *The Chairman*.] You are general manager of the Mosgiel Woollen Company, I understand?—Yes. I may say that I am the oldest manager connected with this industry in the colony. I have been thirty years engaged in managing the company, almost from its inception, and I may say that the starting of it was not approved by the wholesale trade at the time. We had to fight against considerable difficulties before we could get our manufactured articles introduced to the people, but in time their general excellence and good qualities brought them into good demand. Since then they have borne a very fair reputation, and the industry has had a very successful period of existence.

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.

15. Has the number of mills increased?—Yes; and there is more up-to-date machinery used. That has to be imported to keep up with the times.

16. Could your trade be improved by the remission of duty on articles used in the trade, or is it essential to place extra duties on certain articles?—We want some relief to put us alongside those who are in competition with us, in consequence of their longer hours, lower wages, and different conditions of manufacture. The restrictions placed on clothing-manufacturers here, together with the shorter hours of labour and higher wages, are affecting the industry right throughout.

17. Is it in the clothing-manufacture or the cloth-manufacture that you think an alteration ought to be made?—In both. In the cloth-manufacture I consider that you ought to put a heavier duty on short lengths. In the clothing-manufacture I think you ought to prohibit the importation of shoddy material altogether.

18. Can you give us the amount of duty required to effect that?—Forty per cent. on short length of cloth.

19. And the other?—I could not say. You would be surprised to find what shoddy clothing can be done at. A suit can be made to measure for about 7s. 6d. It is perfectly ridiculous, and the policy of the Home people in allowing aliens into London is killing the trade there too.

20. When you say a suit of clothes can be made for 7s. 6d. you do not mean produced, do you?—Produced and sold.

21. Can you say what can be done to remedy that?—Prohibit people from buying it.

22. *Mr. Buchanan.*] If the Home people manufactured and sent out goods equally free from shoddy as the average New Zealand mills would you then be in a position to compete successfully?—We are perfectly satisfied with the present duty. At one time—when Sir Julius Vogel and Sir Robert Stout proposed an alteration in the tariff, in 1886—I considered 15 per cent. quite sufficient, and sent a telegram to that effect.

23. The duty has been increased since?—Yes; to 20 per cent., by the Atkinson Government.

24. Do you think it is enough supposing shoddy goods were not imported?—I think it is sufficient at present.

25. By what method would you exclude shoddy goods? Where would you draw the line? For instance, you have got a duty on woollen goods: you would not prohibit them?—No; they are not shoddy; but when cotton is mixed with woollen goods it is a different thing altogether.

26. But cotton is mixed with wool. It is when it is mixed and the woollen cloth is used two or three times over that you object to it?—Yes. Good honest cotton when mixed with wool is not objectionable, although it is not of so good a character as pure wool, nor will it wear so well.

27. Is a little shoddy of any value, say, to stiffen the cloth?—No, the very opposite.

28. I have heard people complain of colonially manufactured goods of thoroughly good quality because the clothes became loose and out of shape as soon as they were subjected to ordinary wear?—All material if not made very firmly will do that. There are lots of people who prefer that style of wear to the stiff cloth. On the other hand, you can always get firm material, not by using shoddy, but by the cloth being felted up in the machines.

29. Or by putting a certain percentage of cotton in it?—Cotton will make it harder and stiffer.

30. And the cloth will keep its shape better?—I have never heard of that, but I can believe it would.

31. As an expert, could you without difficulty draw the line between what you have in your mind as shoddy and the general run of cloths sufficiently to enable shoddy cloth to be detected?—You mean, could I as a supposed expert detect shoddy cloth after a little examination?

32. Yes?—I think so, and I think any one could do that who knows anything about the manufacture of cloth. One has only to open it up to tell it at once.

33. Do you think there would be any difficulty in a Customs expert taking a stand on it?—No; it could be detected by an expert.

34. Take the case of a working-man who has money enough to buy an ordinary suit made of shoddy, but not sufficient to buy a first-class woollen suit: would it not be a serious disadvantage to him to be forced to go without until he was able to buy a dear suit?—It is a very difficult point to put it in that way, but I think that a man who was forced to go without a suit because he could not pay a moderate price would be a very poor man indeed, and I do not think there are many men who cannot buy the cheap suits which are made in New Zealand factories. Besides, the shoddy suits do not last any time; that is what I complain of.

35. *Mr. Hogg.*] Have wages increased during the last few years in your line?—Yes.

36. Very much?—I should say at least 10 per cent.

37. During how many years is that?—Within the last ten years. There has been a constant increase in wages and a reduction in the hours of labour. Where we formerly worked fifty-six hours we now work forty-six.

38. Is your machinery made up to date?—Perfectly so. We had a man from Home to take charge of some new machinery and he told us that he had never been accustomed to such late machinery at Home.

39. Has your machinery for some time been fully employed?—No. In some departments it has, but in others it has not. We have to mix the different productions in order to keep a constant business going. We cannot afford to run altogether on tweeds or flannels, and we have to keep all classes of goods going. In the weaving we have not been kept going, but in the hosiery department we have been kept going pretty well.

40. Do you think that if the duty were to be largely increased you would be able to reduce prices?—Undoubtedly. The larger the output the cheaper you can do it. But it is impossible sometimes.

41. I suppose you are aware that the colonial-made blankets are much more expensive than the imported blankets?—Yes, because you get genuine wool here.

42. And the cheapest class of blankets are almost exclusively used by poor people?—No.

43. What about the white blankets?—That is different.

44. Do you try to compete in white blankets?—We can only make a white blanket with white wool—we have no cotton. When it comes to coloured blankets we can put some of our waste into them.

45. Are you aware of the prices at which tweeds, blankets, and woollen manufactures generally produced by your mills are retailed to the people?—No, I could not give you the different prices between the mill and the consumer, but some of the witnesses who propose to follow me are dealing direct with the retailers and can give evidence on that point.

46. Are you in the habit of supplying your own workers with tweeds, blankets, and woollen material generally at the wholesale price?—Not exactly bed-rock wholesale price, but at a lower price than at the shops.

47. Can you say that they derive thereby a huge advantage?—No, not a huge advantage. We give them what we think is a fair discount.

48. You do not supply any portion of the public on similar terms?—No; and we do not allow any of our workers to supply any of the public, or supply them beyond their own requirements.

49. Do you supply working-tailors?—No.

50. Simply wholesale clothiers?—Simply the wholesale people and large retailers.

51. Do you think it would be an advantage to your company if you endeavoured to supply the working-tailor and the workers generally?—I could not do it.

52. Can you tell us approximately the difference between the manufacturer's price and the price of the retailer? Do you think it is 50 per cent.?—No, I do not think it is approaching that. I think that in many cases the wholesale houses sell at $7\frac{1}{2}$ per cent. advance, but it is not my business to tell you that.

53. You referred to shoddy, Mr. Morrison: do you think it is possible to detect shoddy from other material?—Yes; any expert can do that. By opening up the thread of the material you can always tell whether it is a genuine thread or whether it is rotten; and it is generally a bulky thread if shoddy, because it will not hang together, and you must use glue or some sticky substance to keep it together.

54. Have you heard what difference there is in price between New-Zealand-made clothing and clothing made in the other colonies?—No. We used to sell a good deal of stuff on the other side, and the Kaiapoi mills did the same; but we are not doing the same business since the $16\frac{1}{2}$ per cent. duty was put on.

55. Will you be surprised to learn that a suit can be supplied to workers on the other side at about half the price that is charged here?—No; there are ways of making up which make a difference. I am wearing a suit which cost me £3 10s. or £3 15s. to make, not including the material.

56. *Mr. Duthie.* You have three complaints to make?—Yes.

57. You want the duty taken off olive-oil?—Yes.

58. A duty on cut lengths?—Yes.

59. And protection from shoddy?—Yes.

60. You are one of the largest manufacturers in the colony: how much olive-oil do you use a year?—About 3 tuns, or 700 gallons, a month, and we pay a duty of 6d. per gallon.

61. That is £17 10s. a month?—Yes.

62. Are there not cheaper oils than olive-oil that would suit your purpose?—No. There is mineral oil, but it is more dangerous.

63. Then, with regard to cut lengths, is not that a very trivial thing?—No; it interferes with the business very much, because nearly every tailor gets them.

64. Your explanation is that travellers go round and take orders for cut lengths: it must be to a large extent exceptional?—It affects us very largely. Nearly every tailor, instead of having a stock of tweeds, simply has so-many suit-lengths.

65. He imports his cloth in suit-lengths?—Yes.

66. Why do you not turn out suit-lengths?—The wholesale man could do it, perhaps, but we could not; and our trade is being killed by these short lengths being sent out.

67. But cannot you cut them?—We cannot cut them, and we cannot make short lengths. We supply our cloths to the wholesalers, and they cut them. We can make nothing less than 25 yards. We supply the wholesale man, who acts as intermediate distributor. He could certainly cut them as required, and does cut them; but, nevertheless, we are being driven out of the market by the short lengths imported from the Old Country and supplied to the tailors direct by the agents of manufacturers at Home.

68. You told us that the lengths are $7\frac{1}{2}$ yards?— $7\frac{1}{2}$ to 10 yards.

69. You know that webs are cut and that it is only a fractional part that will be wasted?—Yes; but there are men's and boys' sizes. There is a balance which can be cut for such things as caps, and so on.

70. You say that Germany and Yorkshire are killing you through the shoddy business?—Yes.

71. Does the preferential tariff of last year affect you?—Not in cloth.

72. Is it not a fact that in later years more mills have sprung up in the colony than there is really trade for and that that is your trouble?—There is no doubt that we could supply more than there is any demand for; but there is only one mill that has started lately—at Hawke's Bay—and I do not think it is doing any good.

73. As you have been able for thirty years to pay a dividend of 8 per cent., do you not think it is a very fair investment?—Yes; but it is not so now. We have not been able to pay for the last five years 7 per cent., and in some years 5 per cent. For some years we paid 10 per cent.

74. That is due to the extra competition in trade?—Yes, and to the increased cost of manufacture. Wages have increased, and the hours of labour have been reduced.

75. You have no check over the increase in the number of mills, except that people may discover that the business does not pay?—There will be a check at some time, perhaps.

76. That is the ordinary contingency of trade which we all have to submit to. We have to take the world as it comes, but you want the country to come to your assistance?—Yes; and I want people to be protected. Olive-oil was at one time admitted free in bulk, but the duty levied is now 6d. a gallon, and I would like to see it removed.

77. In reference to suit-lengths, they commenced to manufacture them in Australia?—They cannot do it; they do not manufacture suit-lengths. There is no one in the country who can manufacture suit-lengths and make it pay.

78. *Mr. Hogg.*] The Victorian woollen-mills, which I believe were established in Geelong, had their warehouses filled with material and could not sell it. The clothiers and warehousemen absolutely refused to deal with the company, but the company opened a small place at their own office and commenced to dispose of their material in suit-lengths?—That is a different thing altogether from making suit-lengths and suit-lengths only.

79. That opened the trade at once to them and the clothiers had to capitulate?—That is different.

80. *Mr. Hanan.*] Can you tell me whether the number of hands in the woollen industry has increased during the last five years?—I should say it has increased a little, but not very much. Messrs. Ross and Glendining have increased their hands in the worsted and hosiery departments during the last few years. We have done the same, and probably the Oamaru and Timaru mills have increased their number. There has been a little increase, but nothing compared with what might have been. The fact is that there are too many mills in the colony.

81. Are there any other branches of woollen-manufacturing that could be undertaken in this colony?—I think it is pretty well widespread now. I do not know of any other branch of the woollen industry that you could say was not fairly well taken up. There may be room for a few caps like Scotch bonnets, but they are out of fashion now. All the branches of the woollen industry are pretty well catered for.

82. Can you say to what extent the importation of shoddy goods has increased?—I could not tell you without reference to the Customs returns.

83. Are you aware that some legislation has been passed in America dealing with this particular subject of shoddy goods?—I am not aware of it, but I know it is very bad in America.

84. Do you think that shoddy goods should be labelled or that an increased duty should be put on?—Both. They should be stamped as shoddy and an increased duty put on. That would be a very good solution of the difficulty.

85. You think it would be in the interests of the wool-growers as well as in the interests of the purchasing public?—Yes. While the people are being taken in by what they think are woollen goods the wool-growers are not getting the trade they should get. The wool-growers are crying out because the demand for their pure wool is being interfered with.

86. Can you give us an idea of the conditions of the hosiery-factories in the colony?—There are some small hosiery-factories that are worked by hand-machines, and I cannot speak of those, but the hosiery departments of the woollen-mills are doing very well. Some small factories are carried on by the owners in their own houses, with the assistance of their families.

87. In respect to what goods that you manufacture do you find your trade declining?—Tweeds chiefly. That is what we find in our mill.

88. To what extent has the weekly wage increased per man during the last three years?—I should say, on the whole it has increased from 10 to 15 per cent. during the last fifteen years.

89. Per man?—I could not give it to you per man, per woman, or per girl. Of course, in the case of girls their time has been reduced.

90. *The Chairman.*] Can you give us any idea of what the reduction in time means in the increased cost of the output?—There are so many other things that come in in connection with that point. There is the question of coal, wherein the restrictions have raised the price by about 2s. a ton. It is very hard to answer a question like that right off.

91. By how much have the reduced hours of labour and the increased pay to your hands increased the cost of the output of your stuff?—I should say from about 12½ to 15 per cent.

92. Is it a fact that, wholesale; you can buy a very good suit of colonial tweed for £1?—Yes; but the wholesale price is one thing and the retail price is another. One wholesale man can buy only twenty-five pairs of blankets, while another may buy a couple of thousand pairs. The same principle applies to the price of the tweed.

93. Under normal conditions, suppose a man went into a manufactory, could he not buy half a dozen suits of tweed at £1?—Made-up suits?

94. Yes?—I dare say he could. I do not know very much about the making. If you asked me the price of the material I could tell you.

95. With regard to blankets, I would like to place on record the price of ten-quarter blankets of average quality?—You have asked me a question that refers to wool of a class that has recently gone up something like 100 per cent. Eighteen months ago you could have bought a very good blanket for about 12s. 6d. to 12s. 9d.—that is a ten-quarter blanket. That would be retailed to the poor people who were not able to pay more. Wool having increased from 5d. to 9d. per pound in the grease, I cannot say what they are offering at now, but I should say they ought to be 6d. per pound more, and that would be 3s. 6d. or 4s. more per blanket.

96. The following question was put to you before the Tariff Commission: "In blankets, I hear that there are still some 17,000 pairs imported?" and you answered, "Yes; because a low class of blankets are made in England chiefly from cotton mixed with noils that is combed back from the combing-machine. These blankets can be made very much cheaper than an all-wool blanket can pos-

sibly be made. When the people of New Zealand want an all-wool blanket they get a far better blanket here than they can get at Home, and they pay a very reasonable price for it too"—That is in my examination before the Tariff Commission. I may have said that.

97. Has an increased importation of these blankets gone on?—I think the colony has been supplying a fairly good demand with its blankets. Of course, you will never be able to supply all the common blankets required.

98. In regard to the question of the tariff, it was proposed that 30 per cent. duty should be put on shoddy goods and 1s. per garment on clothing?—I think there should be 50 per cent. on shoddy, and that it should be stamped so that people would be perfectly aware of what they were buying.

99. Coming to the question of short lengths, I know that the Tariff Commission recommended a special impost, but the House did not adopt the proposal that an increased tariff should be put on short lengths coming from Home?—I remember giving evidence about that once, and I understood from Sir Joseph Ward that he would favourably consider the matter.

100. Has the duty on olive-oil increased the cultivation of olives in the country?—No; I do not think anybody is doing it.

101. How many hands do you employ?—We employ now 320.

102. What is your annual output?—That I cannot tell you exactly.

103. Can you tell me the amount of wages you pay?—It would run between £22,000 and £25,000 a year.

104. At one time you thought 20 per cent. was enough protection on the ordinary run of woollen goods?—I think so still.

105. Are you holding your own except in the matter of short lengths and shoddy goods?—Yes.

106. *Hon. Sir J. G. Ward.*] The variation owing to the extra cost of living was referred to in a question put to you, and I understood you to say that it made a difference of from 12½ to 15 per cent.?—It is not due to the cost of living, but to the various decisions given by the Arbitration Court—the shortened hours of labour and increased pay.

107. Has it affected your financial results during the last few years?—Our profits have been declining. For some half-years we have only paid at the rate of 5 per cent., and it has been with great difficulty that we have paid 7 per cent.

108. On the same capital?—No; the capital is increasing all the time. We started here thirty years ago on a capital of about £50,000, and it is now about £80,000.

109. When have the increases taken place from the £50,000?—When we had to increase our plant and buildings. And we bought another mill at Ashburton, and increased our plant in the "nineties," which meant an increase of our capital then.

110. If you are paying 5 per cent. on £80,000 a year, the net earnings would be greater than if you paid 7 per cent. on the original capital?—On our capital in 1886 we were able to make 10 per cent. for a number of years running.

111. And now you are making an average of 5 per cent.?—No; it is running from 5 to 7 per cent., but it is difficult to make 7 per cent. sometimes.

112. I assume that the fluctuations in the price of wool make a great deal of difference to you?—Yes. One year we bought a large quantity of wool and the next month it dropped 45 per cent. Wool that we gave 1s. 2d. a pound for dropped to 9d.

113. Do you show all your bills under discount in your balance-sheets?—We show them as a contingent liability.

114. Are your bills shown on the debit or credit side of your balance-sheets, or as a contingent liability in the footnote only?—In the footnote only.

115. In the fluctuation in the results would the variation in the cost of discounting your bills materially affect your profits?—We get very few bills indeed.

116. Do you export much of your goods from the colony?—Very little. We export to Sydney, Queensland, and Perth, but the trade has gone off since the duty has gone up.

117. The alterations in the tariff are the chief cause of that?—Partly; but since the Commonwealth was established the States have been exchanging their products. At one time if New South Wales sent goods to Victoria they were taxed, but since the inauguration of the Commonwealth they have had a freedom of trade which they did not have before.

118. If it were possible for you to get rid of a larger surplus within the Commonwealth it would help you a good deal?—Yes; but the Commonwealth is not doing well. The States are suffering from the low price of their exports. The idea I had when the Federation Commission was set up was that it would improve our business, and that we should get an expanded market when we had freedom of trade.

119. What do you suggest as being necessary to give the woollen industry a better position than it has now?—There are three points I had in view: an increase of duty on short lengths of tweed—say, anything under 10 yards—in the same way that you have 40 per cent. duty on single suits; a heavy duty on shoddy, which should also be stamped; and the removal of the 6d. duty on olive-oil.

120. You are really striving to prevent all bad woollen articles coming into the colony?—Yes. "Woollens" is really the term used in Yorkshire for shoddy material or mixed goods. "All new wool" is the proper term for the best goods.

121. *Mr. Laurensen.*] You say that the cost of wages or labour has been increased owing to the action of the Arbitration Court and its awards by from 10 to 15 per cent.?—Per man—I think I said that.

122. Is it as much as that?—Yes; and on coal alone there has been an increase of from 2s. to 2s. 3d. a ton.

123. Taking one of the official returns I find that the total output of the mills in 1900 was £359,382,

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

a most extraordinary experience in the matter of ladies' jackets. There has been a very great slump in the market, and the country has been inundated with importations of low-class goods and cheaply made ladies' jackets, which have been sold at very low prices all through the colony. The result has had a most depressing effect upon that department of our industry, so much so that we have suffered heavily on that account. I do not know that I wish to suggest a cure. In attending this deputation I may explain that I was taken rather unawares. I have only just arrived from the North, and did not know that this deputation was arranged until after I had arrived here. We have certainly suffered severely by the tremendous over-importation of ladies' jackets, which are being sold at prices that we cannot compete with at all. Another point with regard to the importation of shoddy clothing is this: that while in the matter of ready-made clothing of the better class I cannot say we have suffered, we have been very seriously injured in the matter of juvenile clothing. Little boys' suits of clothes are landed here at a total price which is considerably less than what we have to pay for the actual making and trimming.

149. *Hon. Sir J. G. Ward.*] Is that duty paid?—Yes. I refer particularly here to boys' serge sailor suits, which are landed at remarkably low prices. I cannot tell you what nature of cloth they are made of, but the fact is that large quantities of juvenile clothing are landed here at a price we absolutely cannot compete with. There is also a considerable quantity of men's tweed trousers of a low class imported at very low prices, and a certain number of these go into consumption. With regard to the better class of men's suits, ranging from £1 10s. upwards, I think we can hold our own, and I do not know that I have anything to suggest about them. I have, however, in my pocket a sample of tweed [Produced]. This is a 56 in. tweed, which was invoiced at 1s. 6d. per yard and lands here at 2s. 1½d. That class of material is landed, and a considerable amount is being manufactured into clothing here. Of course, it will have to be made up under colonial conditions of making up, but when that cloth is made up at Home under the conditions prevailing there we certainly cannot compete with it. For tweed that lands here at 2s. 1½d. a yard we should want 5s. a yard; that is the price of double width. Here is another sample of low-grade vicuna cloth which is imported into the colony at the present time [Produced]. The width is 56 in., and the price at Home is 1s. 8d. per yard, and it lands here at 2s. 5d. It is a class of cloth we find it impossible to compete with. A vicuna cloth of this weight made here of good wool would be at the very least 7s. 6d.

150. *Mr. Laurensen.*] What is this made up with, then?—That is a conundrum I am not prepared to answer. A good quantity of it is being sold in the colony, even in short lengths, as being a good cloth, and people are very often victimised by it.

151. *Hon. Sir J. G. Ward.*] It is what you call a mixture?—It is absolute shoddy, I should say. On good woollen cloths we do not want any protection. I am only speaking for my own company, of course, but we are perfectly satisfied with the present duty. Before the last Tariff Commission we recommended that if there should be any change contemplated in the tariff it should be in the direction of lowering the duty rather than raising it. But I think, Mr. Chairman, in the interests of the public, something should be done to brand that kind of stuff. I am not a partisan in the matter of high duties at all, however, because I think if any industry cannot stand on its own merits it is better not to have it. I mentioned before the low class of sailor suits that are imported. There is one class of suit which comes in at 2s. 6½d.

152. Is that for the whole suit?—Yes, including blouse and knickers. This low class of juvenile sailor suit, of which an enormous quantity is used in the colony, is sold at from 2s. 6½d. up to 3s. 6d. Now, supposing the retailer takes a profit of one-third—which I suppose would be a reasonable thing—he can sell that suit in grading up the sizes at from 3s. 6d. to 6s. 6d., whilst the lowest line of sailor suit that we can produce here to compete with that would cost the retailer from 7s. 6d. to 8s. 6d. Of course, this Committee is well aware that in the clothing-manufacturing trade we are working under an award of the Arbitration Court, which compels us to pay certain prices; and in the matter of the manufacture of woollens, our mill and the other Canterbury mills are in this unique position: that we are the only mills in the colony that are working under awards of the Arbitration Court. All the other mills in the colony are not working under the same conditions.

153. Are they working under the same scale as you are?—In some instances I do not think they are. That is my own opinion. Of course, in talking of the great competition in the low-class garments—which are only a portion of the trade—I wish the Committee to understand that in regard to the better class goods I do not suggest any alteration. In shoddy goods, however, in the interests of the public—and also in the interests of the trade, although I do not come here crying out for anything—I think the consumer should be protected, and to a reasonable extent the manufacturer should be considered also. There is another matter I should like to refer to—that is, in regard to ladies' dress tweeds. There was a time when we did a large trade in such goods, but it has to a very great extent almost disappeared, owing to the importation of imitation woollen goods, which to all appearances, as regards patterns and cloth looking fairly heavy, are the same; but they are not all wool, and the consequence is that, speaking for ourselves, while allowing for variation of fashion, that trade has almost disappeared. In the matter of woollen shirtings, we find that we are competed very strongly against by imported shirtings, which are not all wool, but which have the appearance and weight of our own. Of course, one item which must be considered when comparing imported clothing with New Zealand clothing is the cost of making and trimming, which is very much larger here, and in many cases is as much as, if not more than, the cost of the material which is used. I think the only suggestion I can make to the Committee is that it should entertain the question whether shoddy goods should not be branded in some way. Fox's serge, for instance, which is a very good make of serge, is marked on every yard of the selvage. Some other mills have adopted the same practice with regard to their piece-goods, and I think if shoddy piece-goods were marked in some shape or form the difficulty which we point out would in a measure be met.

154. Has there been an increase of output during recent years, or has your business diminished ?—There has been a considerable reduction this year in the matter of output, as compared with that of last year.

155. Are you employing fewer hands than formerly ?—I think we are in our clothing-factories. The mill employs about the same number—probably a few more, because we have gone more into the manufacture of hosiery.

156. Take the mills in other parts of New Zealand, such as Ross and Glendining's, have they not increased the number of their hands in recent years ?—Yes, I believe so. They have a worsted plant, which we have not.

157. Can you tell us the total amount of wages you now pay as compared with what you paid some years ago ?—No, I do not think I can.

158. You alluded to the question of ladies' jackets : was not the slump due largely to the season—the fine weather ?—No ; it was caused by the great quantity of low-class lines imported into the colony.

159. With regard to the cheaper goods, have you not an advantage of 50 per cent. in the tariff ?—We have about 40 per cent. total landed charges. As I said, I am not asking for more protection.

160. With regard to the prices, what can a person buy a tweed suit of decent quality for, wholesale ?—£1 5s., and very ordinary lines for £1.

161. And an ordinary trader could buy half a dozen suits at that price ?—Yes.

162. What is the price of a ten-quarter blanket, white ?—15s. 6d. upwards.

163. And grey, of the same size ?—13s. 6d.

164. Do you think those prices are above what the working-classes can afford to pay ?—Not at all.

165. With regard to branding, would you advocate branding all woollen goods or only shoddy ?—I would want to consider that point before recommending anything. I think if all shoddy material were branded it would be satisfactory.

166. *Mr. Harding.*] With regard to shoddy material, would it not be satisfactory if it were branded with the percentage of wool it contained ?—I think that would be unworkable.

167. *Hon. Sir J. G. Ward.*] You think the originating mills should brand it ?—Yes, or the exporting house. Of course, the matter is surrounded with difficulty.

168. *The Chairman.*] What do you think the increased cost in the manufacture of your goods amounts to now as compared with former times ?—The number of hours of labour in the mill has been reduced, and the cost of making the goods has been increased. The unskilled labourers in the mill got an increase of 1s. per day.

169. You cannot give me the percentage of increased cost ?—No.

170. *Mr. Laurensen.*] I understand that you do not ask so much for protection as that something should be done to brand shoddy goods ?—Yes ; to keep them out.

171. You think if that were done it would improve your position to a very large extent ?—Yes, so far as shoddy goods are concerned. I think the difficulties the woollen-mills are labouring under at the present time are due more to internal than external causes.

172. Do you not think the public would buy the products of the woollen-mills more than they do at present if the prices charged were lower, and that that would increase the output of your mills ?—Certainly. Every reduction in the cost of an article largely increases the output of it.

173. Do you not think the profits levied by the middlemen are such as to prevent that output from the woollen-mills that we all would like to see ?—I do not think the profits are excessive when you take into consideration the cost of distribution. It is like this : the qualities of our goods are so well known that competition amongst the traders for business keeps the price down to the general public. I am referring now largely to such goods as blankets, rugs, flannels, and so on.

174. Say that a suit is bought wholesale at £1 4s. : what is that retailed at ?—One-third advance—that is, about £1 12s. 6d. That is the ordinary profit that the large houses put on colonial goods. A great deal depends on the appearance of the suit. A good-looking suit will fetch 5s. more than a commoner line.

175. *Hon. Sir J. G. Ward.*] Have you found the net results of your business—say, over the last five years—fluctuating very much ?—They have fluctuated very much. Such a business as ours very largely depends upon the price of wool.

176. And in any case that fluctuation would depend upon the price of wool ?—Very largely, and the results of internal competition.

177. Your opinion is that if the originating mill were compelled to mark shoddy, that would assist the discriminating public when purchasing ?—Very largely, especially in dress goods.

178. And it would have the effect of enabling people to avoid purchasing it ?—Yes. In the sale of cheap articles there is a larger amount of profit, and retailers get more profit out of the imported goods than out of the colonial-manufactured goods.

179. And, in addition to the marking, you think there should be an extra duty placed on shoddy ?—Yes, a duty that would be absolutely prohibitive. Take that tweed that I just now produced, no one in the colony could compete against that.

180. Your check would be in the public really knowing what they were buying ?—Yes, in great measure.

181. *Mr. Harding.*] Is much of your business done by machinery ?—Yes, very largely ; with workers attending to the machines.

182. There is a great deal of talk about using up-to-date machinery : do you consider your machinery equal to the machinery that is used in America and England ?—We import every improvement that comes out, and we keep ourselves thoroughly in touch with what is going on through the machinery journals and our agents in England.

183. Have you any system whereby your machinery can be kept right up to date, or by which you can find out the very latest improvements?—Yes; we are in touch with all the large machinery-makers of the world, and we have our own agents advising us of all improvements. During the last year we have imported numerous machines to keep us thoroughly abreast of the times. At the present time in our clothing-factories we are throwing out our gas-engines and substituting electrical driving-power, while we are adopting the very latest machines and methods that are in the world.

184. With regard to shoddy, do you not think it would be possible to brand it, and prohibit it from coming in unless it were branded with the percentage of wool it contained? Do you not think that would be a sufficient guide to the public?—I do not think the public would understand it, but if you said it was shoddy they would understand what that meant.

185. What does “shoddy” mean?—The general signification of the term is that the fabric is made of yarns that have been in use before. The original woollen cloth has been used, torn up, and spun over again, and it also contains a certain amount of cotton and other cheap staple.

186. But if they knew that a certain amount of wool was used—say, 75 per cent.—they would know what they were buying. I think you are underrating the intelligence of the public?—I consider that the term “shoddy” carries its meaning to the public better.

187. *Mr. Withford.*] What percentage of wool would there be in the sample of vicuna which you have shown?—There is no percentage of pure wool there, I should say; it is all shoddy.

188. *Mr. Hogg.*] Can you give us an idea of the reason why people buy shoddy?—The cheapness of it.

189. Do you think they buy it knowingly?—I think the lowness of the price is the cause.

190. Is not the price almost the sole consideration?—I do not think it is. I think if you put the two lines before a buyer—pure woollen goods and shoddy—he would not deliberately choose the shoddy.

191. Do you think if shoddy were branded in the way suggested by Mr. Harding it would affect the consumption of the material?—I think it would.

192. Do you not think the general public when they see one article at 4s. and another at 2s. know that one is very much better than the other although they look very much alike?—They ought to, but the public are often very poor judges of these things.

193. Do you supply your workers with goods at a lower price than you supply others?—No; we do not supply our workers with goods at all.

194. Do you supply working-tailors?—If a tailor keeps a shop we may supply him.

195. In suit-lengths?—In any length he chooses to buy. Our business is slightly different in nature from that of the previous witness. The Mosgiel mill sells to the warehouses, while we sell to the retail traders direct.

196. *Mr. Buchanan.*] Is it, in your opinion, the best plan to deal with shoddy by shutting it out altogether?—I do not think so. I think the best plan would be to brand it and combine with that a tariff that would reduce the importation.

197. To put it on the same footing as chicory in coffee, which must be marked as a mixture?—Yes. I do not think it can be altogether excluded.

198. *Mr. Hanan.*] Do you think you can obtain experts who would be able to detect shoddy?—There would be considerable difficulty, but I think you could.

199. Do you think you can obtain people in the colony sufficiently well acquainted with shoddy to undertake this work?—Yes.

200. You desire that such goods shall be marked “Shoddy” so that the public may know what they are buying and so get better value if they wish?—Yes.

201. What dividend does your company pay?—Seven per cent. during the last few years.

202. You spoke of the competition in ladies’ jackets and dress goods: what suggestion do you make to remedy your grievance?—I think the imported jackets should be marked or branded in the same way if they are made from shoddy materials.

203. As to hosiery, what position is that in?—We are fully occupied in that branch.

204. And there is no diminution in colonial trade generally owing to imported goods, so far as you know?—Not with our company; but there is an immense amount of hosiery still being imported.

205. Give us a few articles which constitute the nature of the importations?—Children’s stockings, ladies’ stockings, low-class pants and shirts, ladies’ underclothing of all classes, gentlemen’s underclothing of a very fine nature—made of silk and wool—and that class of goods.

206. Could you not compete against such imported goods?—There are many lines that we cannot make—we are not adapted for them.

207. Is there a branch or branches of the woollen-manufacture that could be encouraged but which are not established in the colony?—For one thing, there is nothing being done in carpets, mats, and woollen goods of that description. There are those low grades of serges, cloths, and that sort of thing, which we cannot get hold of. But take it all round I think the woollen trade is being pretty well captured—that is, the all-woollen goods.

208. *Mr. Harding.*] Has it come within your knowledge that some of the woollen companies have made heavy losses in the past and that some of them have had to go into liquidation?—Yes, that is so.

209. Can you give us the names of any companies that have gone into liquidation or have had to be reconstructed?—I think the Timaru mill was one company that had to be reconstructed.

210. And the Ashburton mill?—Yes; and I do not know whether or not the Onehunga company was reconstructed.

211. Have you had any experience of your own company getting into low water and losing heavily?—Yes, I believe that was so; but it was before I went there, so I cannot say positively what took place.

212. Notwithstanding the present success of your industry there was a time when it was not so successful?—Yes, certainly; but that was before I had any knowledge of the company.

213. With regard to the manufacture of carpets and mats, do you know that a firm was established in Christchurch to make these, and lost money by it?—Before I went to Christchurch I believe there was a carpet industry started there, but it was not a success. The factory is now, I believe, used for a different purpose.

214. *The Chairman.*] Have you anything to add to the evidence you have already given?—I think I could make the question of the importation of cut lengths of tweeds a little clearer to the Committee. What Mr. Morrison was alluding to was this: Home travellers go round and sell suit-lengths, which are exclusively reserved to those people who purchase them—that is, the travellers undertake not to sell another suit-length of a particular pattern in the same town. That is what Mr. Morrison referred to when he said it would never pay to make 7 yards or 10 yards only of any particular kind of tweed. If 200 yards of a pattern were being made and the maker was under a covenant to sell only 7 yards or 10 yards, he would have the balance thrown on his hands; whereas the Home manufacturer has the world for his market—he can confine 10 yards of his tweed of a particular pattern to Australia, 10 yards to Canada, and so on, while we should have to make the total quantity, and afterwards be landed with the balance of the 200 yards.

215. Do you not think that an increased duty of 40 per cent. on cut lengths would induce people to get their suits made up at Home?—I think not; the prices would be prohibitive, and people would not like to run the chance of getting properly fitted, and everything else.

216. *Mr. Hanan.*] Is there much trade done in imported suits?—Yes. The tailors' shops are full of small lengths.

217. *The Chairman.*] Could not some system be established by which you could sell, say, 10 yards of a pattern to Invercargill, 10 yards to Christchurch, 10 yards to Wellington, 10 yards to Auckland, and so on?—No; because you might not sell your 10 yards in each place. The field is too small for such a business.

WILLIAM JOHNSON PARKER examined. (No. 3.)

218. *The Chairman.*] You are?—Managing director of the Onehunga Woollen Company, Auckland.

219. Would you like to make a statement?—I would like to make just a very short statement, to this effect: Our mill is not so large as Mr. Morrison's mill at Mosgiel, but we run it very much on the same lines. The causes which would result in depression in the case of his mill would be somewhat similar in ours. When the present proprietors took up the Onehunga mill it was a defunct concern belonging to the Northern Woollen Company.

220. Was Mr. Park manager then?—We appointed Mr. James Park our manager. He ran it very successfully for a number of years—something like twelve years—and our dividends were reasonably good. A new company took over the mill, and we commissioned Mr. James Park to go Home and procure new machinery to replace anything that was obsolete. After we got this machinery up trade began to shrink until during the last couple of years we made no money at all. We are not working under an award of the Court, but still we are affected by the labour laws, and it costs us now more to run the mill than we can really make out of the sale of our goods. A very large proportion of our goods are used by the working-classes, and I am of opinion that if we cannot compete in the production of all-woollen goods with the imported goods we ought to shut up our factories; but "shoddy material" is not within 70 per cent. of the quality of our woollen goods, while the labour at Home is something like 50 or 60 per cent. lower than it is in this colony for the same class of work. Though we have good machinery there is no profit, and we think the time has arrived to inquire into the cause of the depression in the industry. We have a sufficient output to keep the mill employed, but the profits are so low that it is questionable whether it is better to run the mill or to close it down. Of course, wool is dearer, and nearly everything used in connection with the mill has gone up in price, while the keen competition amongst the various mills of the colony has a tendency to still further reduce profits, and it seems to me that if there is not an improvement in the trade—although some of the mills have been paying dividends of some 7 to 10 per cent.—the time is not far distant when they will be unable to pay anything at all. So far as the principal owners of our mill are concerned, they are not dependent on the woollen industry; but if people cannot make a fair profit on the capital they have invested the woollen-manufacturing business will get into a very bad state. It is the Government's desire to put the people on the land, but we cannot manufacture farmers, and we know that there is only a small number of the people who will take to farming; therefore we must have industries in order that the great mass of the population may find employment.

221. I have only a few questions to put to you, because Mr. Witheford, who has taken great interest in this matter and has gathered a large amount of information, has informed me of many particulars concerning the industry in the northern part of the colony. Taking woollen goods generally, would you like to see an increased duty put on the better-class tweeds, flannels, and blankets?—I think if we cannot manufacture pure-wool goods at a profit to compete with the imported article we ought to shut down.

222. Are you making anything now out of the manufacture of good woollen goods?—No.

223. I suppose you concur with what has been said by other witnesses with regard to putting a heavy duty on shoddy goods?—Yes. We could not manufacture goods like the sample shown by Mr. Hercus, which contains so much cotton and shoddy. In fact, there is no wool in it at all; it is an inferior article made up of stuff that has been used three or four times.

224. *Mr. Hanan.*] You say that your mill is not paying?—That is so.

225. How can you account for other mills in the colony paying dividends?—I did actually hear that one company was paying dividends out of capital. I am a candid man, and say at once that if the mill does not pay us we shall shut down. But your question is a very delicate one to ask some people. I can answer it because our shares are not on the market.

226. Would that be due to the fact that the companies paying dividends manufacture certain articles that you do not manufacture?—We manufacture cloth. The cutting of it up into garments is another branch. I think the risk would be so much extended in the manufacture of the clothing that it is not worth our while to do it.

227. As to competition, do you find that you cannot compete with other companies successfully?—We can compete as regards making the good articles, but when our traveller goes round he finds that the inferior, shoddy stuff floods the market.

228. I mean, competition with the other mills in the colony?—We can compete with them, our machinery is first-class, and we are running it full time, but it is a question of running a large plant and not making money. Our subscribed capital is only £14,300.

229. With regard to your method of doing business, is it done by agreements or on terms?—During the last three years our customers have been paying cash, but before that we allowed them $3\frac{3}{4}$ per cent. or took their promissory notes.

230. The companies do not bind the drapers by agreements for a certain length of time?—No, but we did it once.

231. Are the majority of the drapers free to buy from any company they like?—I think so.

232. Would you advocate the stamping of common goods to indicate their quality?—Yes. They should be stamped when passing through the mill.

233. What would you put on?—I think I would put on “Shoddy.”

234. Is there any branch in the manufacture of woollen goods not yet established that you think we can encourage?—I do not think there is any person in the colony who would under present conditions embark in any manufacture that would require labour.

235. But is it not a fact that the labour or number of hands employed in woollen-factories has increased?—Not in proportion to the increase in population. When I first went into the business we used to make the goods about two-thirds better quality than they are now, but you could not make that class of stuff now to pay.

236. That is due to the increased importation of shoddy goods?—Yes; but until now the companies have not made their grievances known, and have been screwing down their expenditure in order to protect their shares. I think where a company turns its product over three times in a year, such as is the case with woollen goods, the business ought to pay more than 7 per cent.

237. Is it your opinion that dividends will be less in future than they are at present unless some remedy is found?—In my opinion, the future outlook for the woollen industry in New Zealand is very serious indeed.

238. What would you suggest to cope with the difficulty?—You must impose a prohibitive duty on the shoddy goods coming into the colony, but not on all-wool lines.

239. And in order to save the position you advocate a duty being placed on shoddy goods?—Yes. Cotton is the backbone of shoddy. By dissecting a piece of cloth you find that they wrap the shoddy round the cotton thread in order to give backbone to the shoddy cloth.

240. *Mr. Witheford.*] In speaking about the present capital of the company of £14,300 you did not refer to the original amount that was invested in the mill?—No. The original value of the machinery, and so forth, was £40,000.

241. And when you pay a dividend you pay it on the £14,300 only?—Yes.

242. It is owing to the importation of cheaper goods that you are now prevented from getting a fair dividend?—Yes; although we are actually working a concern that takes £40,000 to run we cannot make a dividend on £14,000. We are run clean out of the market by the importation of shoddy goods.

243. And if the importation of these shoddy goods continues unchecked you will have to close down your mill?—Yes. In this connection I may say that the representatives of other companies will not come and make a statement such as I have made because it would affect the price of their shares.

DAVID L. PATTERSON examined. (No. 4.)

244. *The Chairman.*] You are?—Acting manager of the Oamaru Woollen-factory Company (Limited).

245. Would you like to make a statement, or would you prefer to answer questions?—Most of what I would like to say has already been said. The increase of late years in the importation of woollen goods has been greater than the increase in our colonial manufactures, and this is due to two causes, the importations of short lengths and of shoddy goods. Those are the two things that we have to compete against. Mr. Hercus explained the position with regard to the short lengths, but it is a much more serious question than some people suppose. In the case of the present duty of 20 per cent. on goods costing 5s. we have a cover of 1s., which I consider is sufficient; but on shoddy goods, costing, say, 1s. 3d., the protection is only 3d., which is very trifling. That is all I have to say, unless it may be of interest to the Committee to explain what “shoddy” means. I have been Home and gone through mills working shoddy, and therefore can speak with authority. “Shoddy” consists of old garments which have been bought and torn up by machinery, then carded up and worked into yarn. Cotton is then added to it to give the material the necessary strength. Occasionally cheap, coarse wool is added to it.

246. *Mr. Harding.*] Could you not make shoddy here?—We have not got the cotton here, nor the cheap labour.

247. They have not got the cotton in England?—But they have a free port and a bigger output. Our market is so limited—the population of New Zealand is so small.

248. You do not think it would pay to put up a shoddy-mill here?—No, because there is a lot of labour required in picking the rags.

249. *Mr. Bollard.*] The cheap labour, elaborate machinery, and the large population beat you ?—Yes, all except the elaborate machinery. Our machinery is equal to that at Home.

250. *The Chairman.*] You are quite satisfied with the present tariff except in regard to shoddy goods and short lengths ?—Yes.

251. The Oamaru mill has been fairly successful during recent years, has it not ?—Yes.

252. And it is still doing well ?—Yes, fairly, but the indications for the future are not so good. We find the competition keener and tougher.

253. Do you make anything special ?—We practically make nothing but men's tweeds. We are, I think, about the only mill in the colony confining ourselves to one thing.

254. Do you find there are difficulties in the profitable manufacture of tweeds now ?—Yes.

255. *Mr. Witheford.*] Do you consider that your business has been injured by the importation of shoddy goods ?—Yes.

256. And you consider that the outlook is very serious ?—Yes, there is every indication of it. During the last three years things have been steadily getting less satisfactory.

257. *Mr. Hanan.*] Has the number of your hands increased during the last three or four years ?—It has been practically the same.

258. What dividends has your company paid ?—We pay at present 9 per cent.

259. What did you pay last year and the year before ?—Nine per cent., I think. We have paid 9 per cent. for two years, and before that we were paying 8 per cent.

260. You heard what the last witness said as to how the dividends were made up ?—Yes, but our balance-sheets are absolutely correct. For ten or twelve years after our company started no dividends were paid. The shares were unsaleable, and the money that was being made was put into plant—actually into capital—so that our capital represents a very small sum compared with the business involved; and although we are paying 9 per cent. we are probably only earning $4\frac{1}{2}$ per cent. on the actual amount of money invested.

261. Can you give us any explanation as to why the Onehunga mill—the only mill in the North Island—is not prospering ?—It may be due to the importation of shoddy goods.

262. But notwithstanding the importation of shoddy goods you have been able to pay a dividend of 9 per cent. during the last three or four years ?—Two years.

263. While in the North Island, which has only one mill, the Onehunga mill is not paying a dividend at all: how do you account for that ?—I cannot make a statement as to another company's affairs.

264. With regard to prices at Home compared with the prices in this country, do we not get better prices for New Zealand goods, notwithstanding the price of labour, than they do in the Old Country ?—On the average we do not. At Home some people sell remarkably cheap stuff, but averaging it all round on the average cost of production they do better at Home than we do.

265. That is simply a speculative opinion that you express ?—Yes.

266. *Mr. Bollard.*] Can you tell us the average dividend your company has paid since you started, on the capital actually spent on plant ?—I cannot. There is such a heavy item for depreciation. We are continually buying new plant.

267. *Mr. Hanan.*] What is the average profit on goods sold by you ?—It varies very much.

268. Give me two or three instances ?—I know cases where our goods have been sold at less than we have sold them to the retailers for, and I know of other cases where 50 per cent. has been put on. The average may be $7\frac{1}{2}$ per cent., or perhaps 10 per cent., but I would not like to say any definite amount.

269. Take tweeds for men's clothing, what profit do the retailers get ?—They sometimes buy a pattern and afterwards let it go at any price. They are glad to get cost frequently, but they have perhaps made their profit on what they have sold at an earlier period. It is impossible to get at it without statistics.

WEDNESDAY, 19TH OCTOBER, 1904.

FREDERICK M. KING examined. (No. 5.)

1. *The Chairman.*] You reside in Auckland ?—Yes; I am a clothing-manufacturer in Auckland.

2. Would you prefer to make a statement, or would you like to be questioned ?—I would prefer to make a statement, and then answer any questions that may be put to me. Regarding the woollen industry and the taxation of woollens, Mr. John Foster Fraser, in his book "America at Work," says, "There are, however, several reasons why American textiles are poorer than our own. There is the tariff. When the tariff was cut down a number of years ago the American woollen-manufacturer found himself hard hit by the fine and cheap goods sent from Yorkshire. He met the competition in two ways—first by producing a better article than he had ever done before, and by clamouring for a reimposition of the heavy duty. His clamours succeeded. Up went the tariff fence again, shutting out English wares, and down, with a rush, came the quality of American goods." This bringing of the goods down in quality and the increased duty upon goods had the effect of decreasing the purchasing-power of the people. It was not because the woollen-manufacturers themselves wished to make a commoner article, but the community, having only a certain amount of purchasing-power with which to buy these commodities, got less commodities for the same amount of money, and therefore demanded cheaper goods. Our New Zealand mills have increased their producing-power from £279,175 in 1890 to £359,382 in 1900, and during those years we have heard nothing of an increased duty on woollens because they were progressing very satisfactorily. If we turn to the Year-book we find that the number of woollen-mills in the colony is ten, employing 1,693 hands, and they paid out wages

amounting to £112,001. The output of the mills was worth £359,382. They are protected to the extent of 22 per cent., and 22 per cent. on this £359,000 is £79,064, so that we already give the woollen-mills a bonus of £79,064. Then, in addition to this, the people have to pay duty through the Custom-house to the extent of £81,034, making a total of £160,098. This is the whole cost of protecting the woollen-mills, and in addition to that we have to add the wholesale and retail profit upon that duty, which amounts to £80,049. It therefore costs us £240,147 to protect a wage-sheet of £112,001, so the country loses over £100,000 per annum for the protection of the woollen-mills. Now, the colony imported and produced—I have taken the total amount of goods imported and the amount of goods produced in the colony—a little less than one pound's worth of woollen goods per head per annum. But this one pound's worth of woollen goods costs the community £1 6s. at least—it would be even more than that, because it is somewhere between £1 6s. and £1 10s.—and for this they only get one pound's worth of woollen goods in value. Therefore the people cannot buy colonial goods because they have not the purchasing-power with which to purchase them. Let us turn to the Auckland manufacturers engaged in making up these imported goods. I called upon the manufacturers of Auckland to find out what percentage of goods manufactured in Auckland were imported, and two out of three of the largest firms gave it to me as over 50 per cent., one 20 per cent., and in my own business I make up over 75 per cent. of imported goods. If you take that as a criterion of the amount of imported goods made up throughout the colony, I have estimated it as 30 per cent., and therefore I have taken 30 per cent. as the number of hands engaged in that wholesale manufacturing trade. That is to say, 850 workers in the colony are employed in making up goods in the wholesale, and in the retail tailoring 1,621, making a total of 2,471 people who are employed in this industry. In the woollen industry there are only 1,600 hands employed in the whole of the mills of the colony. Therefore in order to further protect the woollen-mills an increased duty is asked for to be put on the raw material of 2,071 workers. When there was a duty on sugar in England there were a large number of refineries throughout Britain, but when the duty was taken off sugar many of those people went out of business, but immediately there sprung up throughout Britain a large number of industries that used sugar in their productions. The reverse of that case is being tried in New Zealand. By increasing the cost of woollen materials you will reduce the number of workers employed in the industry and the quality of the goods. There has lately been a change in the fashion and demand for certain classes of tweed in New Zealand. People have changed their demand from the colonial tweeds to the finer vicuna and worsted fabrics, but it is only a matter of a short time when there will be another reversion, and they will probably change back to New Zealand goods. One thing detrimental to New Zealand goods is that the woollen-mills are able to turn out certain goods of only a limited number of patterns, and if people were compelled to use colonial tweeds they would appear in a kind of uniform. But there are certain classes of goods which our woollen-mills can make the best in the world. Take, for instance, blankets: In 1891 we imported 19,622 pounds' worth, and in 1900 9,667 pounds' worth. Therefore the importation of blankets has decreased under present conditions by £10,000 in those ten years, showing that they have only to get the right class of goods, then the market is open for them and they can sell them. There is one thing that has been overlooked in connection with this question—that is, when you increase the duties on goods the wholesalers and retailers add the cost of the duty and profits on the duty to their goods, so that the increase does not really affect them very much, because they add that increase and employ less labour to do the same amount of business. If we take, as an example, a hundred pounds' worth of goods, the retailer adds, say, 20 per cent. He can sell the goods for £120; but if the goods cost £120 by increasing the duty and he adds 20 per cent. he has to sell them for £145, making £25 profit, so that you increase the price of the article to an enormous extent before it reaches the consumer, and at the same time the retailer gets a bigger return by employing less labour. I might say that I found a great deal of difficulty in getting the retail tradesmen in Auckland to give evidence before this Committee, because they said it did not matter very much to them if the duty were increased, because they would add the duty to the cost of the goods, and it did not matter what they paid for them provided all paid alike.

3. I forgot to ask you what your occupation is?—I am a clothing and shirt manufacturer, and employ about 130 workers.

4. You are an importer?—No; I make up goods for wholesale merchants.

5. *Mr. Rutherford.*] I suppose there is a great demand for what are called shoddy goods?—The question is, what is "shoddy"?

6. I suppose most of the goods sent out from England contain more or less shoddy?—Only a certain class of goods. There are goods that come out without any shoddy in them at all.

7. They are not all pure wool?—It all depends upon the make of the goods. I defy anybody in the trade to tell me what is shoddy and what is not shoddy. We can tell when cotton is mixed in the goods. You may take the best cloth, costing 10s. or 15s. a yard, and one cannot say there is or is not any shoddy in it. The manufacturers cannot get the proper face on their goods without putting shoddy into them. That is the difficulty.

8. It has been represented to me that there is a great demand for what I call shoddy goods, and it would be a very great hardship if the duty were increased on certain imported goods. It has been represented to me by a clergyman that a Kaiapoi woollen rug costs £1 15s. as against an imported one at 12s. 6d. ?—I should not think there would be quite that difference. *Mr. Finlayson* is here to represent the wholesale warehouses, and he will take up that side of the question.

9. You speak practically as a Free-trader?—I am a manufacturer and also a Free-trader. I only handle these goods as a manufacturer. I do not buy or sell them—I get the piece-goods from the warehouse and make them up according to order. Therefore I do not know anything about the price or cost of the goods.

10. It would be a hardship, would it not, to a large class of the community to increase the duty

on these imported goods?—There is no doubt about that. The workers cannot buy the finer class of goods, and the result is that they must use the cheaper kind, which are more stylish and will last them during a season and enable them to follow the fashion of the time.

11. It is not an advantage to buy an article that lasts too long, because it goes out of fashion?—From the ladies' point of view, that is so.

12. In your opinion, it would be a hardship to the poorer class of the community if the duty were increased on imported goods?—Yes.

13. *Mr. Witheford.*] Was the Auckland *Star* report of the clothiers' meeting in Auckland a correct one?—No; there were a few errors in it, and I asked the *Star* representative if he could correct them, and he said they could not.

14. But was that report correct?—No. It was fairly correct. There was nothing in it that was a gross error.

15. Was it correct in stating that there were only 900 hands at work in the woollen-factories in New Zealand?—No. At the time I thought that was a misprint.

16. Then, why did you print that report and send it round to all the members of the House if it were not correct?—It was merely a report of the meeting that I wanted to send round to members of the House. I knew that a mere alteration of the figures could be made afterwards.

17. Would it not have been better to alter the figures in the first instance?—Yes, but the paper-proprietors could not do it. The report was linotyped and could not be altered.

18. And you thought you were justified in having an incorrect report reprinted and sent round to members of Parliament?—I should say they were only printers' errors.

19. Was it correct in stating that the effect of the increased tax on woollens would be to throw 1,400 workers out of employment?—I believe it was fairly correct, but we had no idea of the number of hands that might be thrown out of employment.

20. Suppose you add 1s. to the 22 per cent. duty, would that extra duty cause thousands of people to be thrown out of employment?—Of course, an extra shilling would not throw hands out of work, but when you take the percentage on the sale of the goods and raise the 22 per cent. you decrease the purchasing-power of the people. You increase it nearly 50 per cent. to the purchaser, and therefore reduce the purchasing-power.

21. What would be the lowest-priced shoddy suit turned out at a fair wholesale price?—Somewhere about 16s.

22. And what would be the price if you used the cheapest class of all-wool New-Zealand-made—the price per suit?—You are asking me something outside of my branch of the trade, because I do not know exactly the value of the goods I make up. I should say somewhere about the same price—16s. 6d. or 17s.

23. Do you consider that a duty of, say, 5s. 6d. per suit—compelling them to buy a suit of all wool rather than shoddy—would be disastrous to the working-men of New Zealand and prevent them getting clothes?—I do not think the report puts it in that way. It means the cost would be so much increased that the people would have to buy less of them.

24. And your opinion is that it would throw the tailoresses out of work if the duty were increased?—Yes, a very large number of them.

25. If 25 per cent. duty were charged upon the imported shoddy goods would that throw all those 1,400 workers out of employment?—I do not say that stuff worth 1s. a yard would make a suit worth 15s.

26. You say that if there were an increase of duty it would throw all those tailoresses out of work: would 2 per cent. do that?—It would throw some of them out.

27. How do the tailoresses justify protection being given to their labour as against that of the young women employed in the woollen-mills?—I am a Free-trader right through, and am not here to talk protection for our trade or the woollen-mills. I cannot justify that.

28. In your opinion, to maintain woollen-manufacture in New Zealand should the tariff go up or wages come down?—I think the cost of living should come down. I do not believe in reducing wages.

29. What we are considering is how best to foster the manufactures of New Zealand, and I want your opinion as to whether the tariff should go up or wages come down in order that we may maintain our industries?—I say the cost of living should come down by reducing the duty on other commodities not made in the colony.

30. *Mr. Bollard.*] The woollen-manufacturers of the colony have asked that an increased duty should be put upon inferior imported goods known as "shoddy." At the same time they say that the public would have to pay no more for their clothing than they do now, and that as a matter of fact they are cheated by the clothiers, who palm off inferior goods on people who have not the experience to protect themselves. They also say that they could supply an article that would give greater satisfaction to the poorer classes than they get now. What have you to say to that?—Then, why do they want more protection? If the price of clothing would not go up with an increased duty why do they want more protection? My reply is that the statement is erroneous.

31. *Mr. Hardy.*] You speak of the protection given to the woollen-mills as being high?—Yes.

32. How much, then, is the protection to those who manufacture clothing?—25 per cent. *ad valorem*.

33. What is the proportion of imported articles which come in for manufacturing purposes in comparison with what is made up in the colony?—The amount of woollens imported is four hundred thousand pounds' worth, and the amount of goods manufactured is £359,000.

34. If the one is brought in at 22 per cent., how much more, then, according to your tables, is the protection you are now speaking about?—That is about 5 per cent. It costs as much to protect our clothing-manufactures *pro rata*.

35. Consequently there is not much value in the evidence given on behalf of the woollen-mills when those you are representing get a bit more?—I do not say that. If you are going to increase

the cost of the raw material to those manufacturers who are now engaged in the trade you will to a certain extent extinguish their trade. Supposing you keep out English goods absolutely, then you will close down a certain number of clothing-factories in the colony.

36. Contrast the difference between the workers in the woollen-mills and those you employ: by your evidence you infer that if we increase the duty on woollen goods many of those you employ will be thrown out of work?—I go further than that, and say that more will be thrown out of work than the woollen-mills can possibly employ.

37. I suppose the woollen-manufacturers do employ a great number of hands?—1,693.

38. Are they in a position to employ more?—Not with their present machinery.

39. Are they in a position to find capital to get more machinery?—Yes, I do not think there is any doubt about that.

40. As a colonist, do you not think it would be better to manufacture our own goods, if we could, than to manufacture English or continental goods?—Yes, if without any great cost to the colony.

41. Would it not be better to grow our own wool, to fellmonger it by our own people, and to spin and manufacture it in the colony—would that not be a better state of affairs?—Yes; but by every increase in duty on all goods you increase the cost of all the production in the colony. Take butter, for instance: we could not consume the whole of the butter made in the colony—it could not be absorbed here, and it has to be sent Home to England; and the effect of increasing the cost of clothing increases the cost of butter-production, and we have to send two or three times the amount of butter to England than we otherwise would to make up the difference.

42. You spoke about an increase in the production of blankets in the colony: what was the reason of that?—Because the mills produced a better blanket.

43. Is it not because the mills are able to purchase their wool here, are able to make it up here, and that they save the cost of sending it to England, together with the two exchanges, and then the duty on the blankets? Is not that the cause of it?—Not the whole cause of it, because if it were why do they not do it with tweeds?

44. Is there as much value in the wool used in the manufacture of tweeds in proportion to the cost of the article manufactured as there is in blankets?—I am not much of an expert in the cost of such goods.

45. Take the cost of manufacturing tweed, do you not think it would cost more to manufacture tweed than to manufacture blankets?—Yes, per yard.

46. Consequently that will largely account for the success of the mills in putting blankets on the market, and possibly for the non-success of putting tweeds on the market?—No; because, say you take one pound's worth of blankets and one pound's worth of tweeds, I do not think there is much more cost in the tweeds.

47. Do you not think the dyes and the weaving of tweeds make them much more expensive?—There is only the pound's worth, but there is the labour. I will admit that there is not so much raw material in a pound's worth of tweeds as there is in a pound's worth of blanket.

48. You spoke about the success of the mills in connection with blankets, and you say only the right class of goods should be made in the colony in order to gain success?—Yes.

49. Is it within your knowledge that many of the mills are making very fine tweeds at the present time?—Yes.

50. Is it not within your knowledge that many of the mills are not only making fine tweeds but that these are often sold as English tweeds?—Yes.

51. And that shows that our woollen-manufacturers are successful in imitating the imported tweeds?—Yes, and they are splendid tweeds too.

52. You spoke about a low class of goods: do you know anything about the Kaiapoi and Wellington goods that have been put upon the market for the benefit of the workers?—Yes.

53. Are there many moleskins put on the market?—No.

54. What is the reason?—I think it is because the workers are too well off and are not willing to use them. As far as the Auckland Province is concerned, the climate is mostly too hot for them.

55. Is it not because the Wellington, Dunedin, Christchurch, and Oamaru mills are able to put an article on the market as cheap as moleskins and that will wear almost as well?—I am not sure, because that goes into a part of the trade which I do not know anything about.

56. You made a statement here about the price of goods, and spoke of working-men having to get imported stuff, and I am asking you questions about that?—Yes.

57. Are there not thousands of pairs of trousers made in Wellington, Christchurch, and Dunedin that are as cheap as and better than the imported article?—Yes.

58. And we are able to make these with our own wool much cheaper and better than those which are imported and made up in the colony?—Yes, certain classes of goods.

59. And that shows that there is a demand for them?—Yes.

60. And that the wear of these trousers has justified the demand?—That is so.

61. Now, if the workers you speak of are thrown out of employment may there not be an increased demand for the manufacture and making-up of colonial-made tweeds?—No, because you increase the cost of clothing to the community. The community have only so-much purchasing-power, and therefore will have to buy cheaper goods again. Protection on woollens alone already costs us £240,000, and if you increase it to £500,000 it is obvious that people will have to buy so much less clothing.

62. Mr. Rutherford asked you a question in which he contrasted the cost of Kaiapoi rugs at £1 15s. as against imported rugs at 12s. 6d.: have you seen any cheap Wellington or Kaiapoi rugs put on the market?—No, I do not handle them at all.

63. Have you seen them in the shop-windows?—Yes. I know that imported rugs can be supplied to bushmen and gum-diggers, and that they will outwear any colonial rugs, while they will suit that class of men, at half the cost of the colonial rugs.

64. Do you know if many rugs are imported into New Zealand?—I do not.

65. Do you think there are?—I say I do not know, and it is far better for me to say I do not know than to make a statement which might be erroneous.

66. Is it within your knowledge that the Wellington company turn out a rug at from 13s. to 14s. which is better than can be imported at the price?—If it is so, it only bears out my contention that if they can turn out goods which are required in the colony they can do the business without more protection.

67. You say that you are a Free-trader out-and-out?—Yes.

68. If you are a Free-trader out-and-out and are here largely in the interests of the manufacturers of imported goods, how do you propose to keep up your log so that the workers can earn sufficient money to live in New Zealand?—You cannot take the duty off one article alone. I am not an advocate for taking off the duty in one industry.

69. You do not know how you would keep up your log so that the workers may earn sufficient money to live in New Zealand?—The moment we talk about producing goods in this colony to compete with the imported article the workers immediately say the cost of living is so high that they cannot produce at the price. The cost of living is high owing to the enormous duties that are levied.

70. As a colonist, do you advocate taking the duties off these goods?—No, unless the duty is taken off other imports.

71. You think the duty is fair and reasonable?—Yes.

72. Would you rather make up goods from wool grown in the colony than from material produced in France and other continental countries?—Yes, as a colonist.

73. And as the father of a number of babies you would prefer to see them clothed in New Zealand clothing?—Yes, and if our cost of living were largely reduced we should be able to see them so clothed.

74. You told us that shoddy was not necessarily confined to the inferior class of goods?—Yes; they cannot make goods without a little shoddy in them.

75. You think that the finer class of goods from the west of England contains it?—Yes.

76. What is "shoddy"?—It is derived from the word "sheddy." It is what is shed from the loom while weaving. It is also made up from woollen clippings from the tailors, which are put into a machine and brought back to a fibrous state, then respun into yarn.

77. It might be made from old garments?—Yes; but it goes through such a purification that you cannot tell that it comes from old garments.

78. Then, "shoddy" might be made of all wool as of any other material?—Yes, "shoddy" is nothing else but wool.

79. Would you approve of a trade-mark being placed on imported goods to show that they are made of pure wool or that they contain "shoddy" or are made of cotton or a mixture of wool and cotton?—I should certainly approve of anything being put on a garment to show that it was a mixture, but not that it was shoddy, because "shoddy" covers such an amount of ground that no one in the world could say that there was or was not shoddy in any goods, and, if so, how much.

80. Could you not tell under a microscope?—No.

81. In the manufactures in which there is shoddy is the texture as long as in goods manufactured of pure wool?—No, but they cannot get at it. Certainly it is not.

82. If I got it under a microscope could I not tell the length of the texture?—Yes.

83. And is it not largely on account of the shortness of the texture that the deterioration takes place?—No.

84. Is it not a fact that in shoddy goods there is a large quantity of jute?—No, that is not so.

85. It has not come within your knowledge that there is a large quantity of jute used in shoddy goods?—No.

86. The evidence of manufacturers who have come here is to the effect that jute is largely used in shoddy goods?—Let me qualify what I say because I am not a manufacturer of goods. There is nothing that I know of but wool used in the imported goods except cotton.

87. Generally speaking, is not the term "shoddy" applied to cheap cotton mixed goods that are got up to deceive the public?—They might be got up in that form, but you cannot say what "shoddy" means. Some people call the "shoddy" "cotton and wool."

88. Would you call it that?—No. Anybody can tell when there is cotton in goods.

89. You would approve of a trade-mark being used to show what goods contain shoddy and what do not?—No; I would have them marked "Union goods," not "Shoddy."

90. Would it not be an improvement for the mills in England if the goods that came out here were branded so as to show those that are pure silk and those that are not pure silk?—Yes; but I would have them marked "Union goods" if they contained silk and any other mixture.

91. You know that imitation silks come from the East and that there is a good deal of difficulty in distinguishing them?—Yes.

92. Would it not be well if we had a trade-mark in order to distinguish them?—Yes.

93. *The Chairman.*] You said that there were four hundred thousand pounds' worth of woollen goods imported?—Yes.

94. Is not that estimate very far out—is it not nearer one million pounds' worth?—On page 187 of the Year-book woollen piece-goods are put down at £400,020, while blankets are put down at £8,504.

95. What about the five hundred thousand pounds' worth of slop goods imported?—Yes, but we have under discussion the piece-goods.

96. Were you not alluding to the goods you make up into suits?—Those do not come under the heading "slop goods."

97. Was it fair to say there were only four hundred thousand pounds' worth of woollen goods imported when you qualify it now by saying you referred to piece-goods? The impression you left on

the minds of the Committee was that four hundred thousand pounds' worth was the total amount of woollen goods imported, whereas you now qualify it by putting in piece-goods. I find, in addition, by the statistics that there were 566,000 pounds' worth of slop goods and made-up goods imported?—I thought you referred to woollen goods.

98. Are not slop goods similar to many woollen goods imported?—Yes.

99. Would it not have been right, then, to have said the total was £1,000,000?—Certainly not, because I should have had to combine the whole woollen and clothing trades together.

100. Are not the imported goods made up of woollen goods?—Yes.

101. Is it right, then, to say there were four hundred thousand pounds' worth when there was imported in addition to that 536,000 pounds' worth?—No, because you would have to take off the cost of making the suits up.

102. That may be, but that is the value of the imported made-up woollen stuffs?—Yes.

103. Coming to blankets, you say the mills here are already making a blanket to suit this market?—Yes.

104. Do you know from the statistics that the importation of blankets has increased—that in 1894 17,000 pairs were imported, and that there has been an increase by over 2,000 this year?—This year it is only £8,504.

105. There were 19,867 pairs. You say that there are 1,600 people employed in the woollen-mills, and that some 1,400 hands would be thrown out of employment in the clothing-factories if the duty were increased on imported piece-goods?—Yes.

106. Can you tell me what the proportion is, or is likely to be, of those 2,500 who are employed in making up imported piece-goods?—There are 850 in the wholesale and 1,622 in the retail.

107. Can you tell me anything about the relative merits of imported tweed at 2s. 6d. as against the manufactured tweed in this colony?—No; I am not a purchaser.

108. Would an imported suit made up at 16s. be nearly so good in value as a colonial made-up suit at £1 1s.?—It would wear as well.

109. Would it be as warm and comfortable?—Yes.

110. Do you think the wages of the working-men—I refer to the farming class as well as to town people—are so low that they cannot afford to pay £1 16s. for a colonially manufactured woollen suit?—I should say there is a large number of people who cannot afford to pay that price, as there is now a large demand for suits at a lower price.

111. As a matter of fact, I gathered from your evidence that a number of people buy poor stuff because they wish to obtain a change yearly in the style of goods?—Yes.

112. You are a Free-trader, but I take it that you would not advocate the duty of 25 per cent. being taken off manufactured goods brought into the colony?—I do not advocate taking the duty off in one industry at a time. If the duty is to be taken off it ought to be gradually taken off all goods.

113. Would you be willing to do that?—Yes, certainly.

114. Is it not a fact that a great many people at Home are imitating New Zealand tweeds?—Yes.

115. And others mark on imported tweeds goods "Colonial-made"?—No.

116. That is not within your experience?—No.

117. *Mr. Barber.* You said you are a Free-trader and are favourable to the taking-off of the duties provided they are taken off all goods?—Yes.

118. You say there will be 1,400 people thrown out of employment if we put an extra duty on the imported goods?—Yes.

119. Supposing we took the duty off, should we be able to employ those 1,400 people in the colony?—Yes; there would be other sources of employment opened.

120. Labour costs so much less in the Home-country that goods can be landed here much cheaper than they can be made here: would not that cheap labour compete successfully with the labour in this colony?—Not necessarily; the wages paid in the different countries will adjust that. If we send goods Home it is only in exchange for other commodities. The tailoresses might have to change their occupation—many might become housekeepers, for instance, which would be better for them.

121. In manufacturing, say, a pair of trousers out of imported tweed and a pair of trousers out of colonial tweed, which gives the best value?—They almost balance—they are very close together.

122. Why do the manufacturers who make up imported goods put a ticket on them, as a rule, to show that they are locally manufactured if there is no advantage?—I think the words "Local manufacture" mean "made in the colony." If I make up goods in the colony I think I am entitled to put the words on the ticket "Made in the colony."

123. But is that not deceiving the public?—No; the garment is made in the colony.

124. If a man saw a suit of clothes the ticket on which stated "Warranted of colonial manufacture," where would he anticipate that was made?—I do not know what he would think about it. I should say the suit was made in the colony.

125. There is a ticket here [Produced] with those words on it: would that imply that it is made in the colony?—I should say it is a garment-ticket, which proves that it is made in the colony.

126. Would it not be likely to mislead a person who thought he was buying an article of colonial manufacture?—I will admit it is likely to deceive.

127. Must there not be some advantage in connection with colonial tweed to induce people to put a ticket like that on shoddy?—No; it is because garments from Home do not fit or suit colonial people. All makes of garments have a ticket on them like that.

128. You inferred that if an increased duty were put on the imported article, the spending-power of the workers being limited, they could not purchase so many clothes as they do at the present time?—Yes.

129. That coat that you saw the ticket of was sold for £2 5s.: are you aware that the Petone Woollen Company sell a rainproof coat made out of wool for £1 6s. 9d.?—I am aware of that.

130. Where is the disadvantage to the worker in getting colonial-made clothing when he is asked to pay £2 5s. for an article like that which only costs £1 6s. 9d. if made in the colony?—You cannot decide the matter on one article in the trade. You must take the whole purchasing-power of the people.

131. Supposing you shut the imported article out altogether, do you mean to tell me that the workers will have no clothes at all?—They would have a poor class of goods.

132. But this proves that they will not have a poorer class of goods?—That is only one article.

133. You said that moleskin trousers had gone out of use practically?—Only so far as the Auckland Province is concerned.

134. Do you not think the low-priced saddle tweed sold in the colony is better, when the two prices are compared?—Yes, I think so.

135. Cannot a man spend his money to more advantage by buying the article of colonial manufacture?—It means that the community will have to pay a higher price. I say the working-man knows what suits him best, and we should let him be the judge. If a man wants a moleskin you cannot sell him a saddle tweed, and if he wants a saddle tweed you cannot sell him a moleskin.

136. But as they are buying other goods instead of moleskin they consider they are getting a better class of goods?—Yes.

137. So that there is no disadvantage to a man in buying colonial-manufactured tweed?—No.

138. *Mr. Witheford.*] Who pays the increased tariff on these goods?—The consumer.

139. *Mr. Hanan.*] Are you aware that a resolution was passed by the Central Chamber of Agriculture, England, which it was decided should be brought under the notice of the Secretary for Agriculture, England, and the colonial Premiers, to the following effect: "That it is the opinion of the Council that the increasing adulteration of woollen goods, and the unscrupulous substitution of inferior materials, like cotton worsted, mungo shoddy, wastes, and other dishonest substances, in the manufacture of so-called woollen goods in England, America, and the Continent demands, in the interests of the producer and consumer, immediate legislative attention"? Are you aware that that resolution has been passed in the Home-country?—Yes; but it is impossible to carry it out.

140. Are you aware that shoddy is displacing in America and England wool to the extent of 660,000,000 lb. a year?—Yes; but that maintains my contention that owing to the enormous protective duties people cannot wear woollen goods. It is the purchasing-power of the people that will only allow them to purchase shoddy-made goods, and by increasing the protective duty you compel people to purchase only the lowest-priced goods.

141. Supposing you remove the protection on our wool, would that not open a greater field for shoddy in this country?—No, because you would increase the purchasing-power of the people. According to my figures you would increase the purchasing-power of the masses by £240,000 per annum, and £240,000 is more than half as much as the total output of our woollen-mills together at the present time. That would enormously increase the purchasing-power of the masses and enable them to buy the better colonial article.

142. If your argument were sound it would apply to all industries?—Yes, it does apply.

143. Then, you do not agree with fostering colonial industries?—Yes; but it should be done without increased duties.

144. Then, you think that Germany and America have adopted a retrograde policy?—Certainly. You cannot get goods from England and Germany unless you give something in exchange, and that creates colonial industries at once.

145. How can you raise colonial industries?—They raise themselves.

THOMAS FINLAYSON examined. (No. 6.)

146. *The Chairman.*] You are a warehouseman in Auckland?—Yes. There seems to be a great deal of misapprehension in the minds of the Committee. First and foremost, they seem to have confined themselves entirely to tweeds and articles suitable to men and boys. If a Bill were brought in to effect what is suggested it would embrace not only those goods, but dress-pieces for ladies' clothes, rugs and blankets, and a great many other articles. So far as my experience goes, the goods that can be manufactured to advantage by the woollen-mills in New Zealand at the present time are manufactured and have command of the market. Tweeds of the kind suitable to the market are largely dealt in by the warehousemen and drapers. A very large number of Maori shawls and mauds are manufactured. These mauds or shawls were formerly made in England and known as Queensland, but they are now made by the local mills, and hardly any are imported, which shows that we can manufacture that kind of article to advantage. We can also manufacture flannels to advantage, and, with the exception of a few sorts, there are none imported at all, so that the question is not narrowed down to tweeds. It is a very wide question and would affect nearly every person in the colony. My contention is that fashion rules the world, not only with the women but with the men. I have an article here which is called a cheap vicuna. That is an article that the working-men use very largely in the Auckland Province for Sunday suits.

147. *Mr. Barber.*] What would be the price of that?—A suit of that would cost about £1 5s., retail.

148. What would be about the price per yard?—About 3s. It is 54 in. wide. The nearest thing to that is the colonial single-width tweed, 27 in. wide, which I suppose will cost about 1s. 4d. a yard [Sample shown], but it is a different article altogether. It is perhaps the best article you could get as an all-wool tweed for the money, but it is not what the people want. The men want a blue suit either of vicuna or other serge. I might say that these cheaper blue goods could not be made in the colony at the present time, and if they could they could not be sold at anything like the money. If

you put an increased duty on these goods you would make a man pay two or three shillings more for the suit than he pays at the present time. Therefore I say that by putting a duty on an article which cannot be produced in the colony and which the people require you are doing those people an injustice. There are lots of poor people in Auckland who have to dress their children in that cheap class of blue serge [Sample produced]. Now we come to the dress-stuffs, which range up in landed cost from 1s. 5d. a yard. The lowest colonial dress tweed, which would be a very raw-looking article at the price, would be about 2s. a yard, as against this 1s. 5d., and it would not look anything like the imported article. The lowest colonial dress tweed of from 45 in. to 50 in. wide would be about 2s. a yard; and, besides, the mills could only produce one certain class of dress tweed, whereas when new tweeds are opened up fashionable people want a variety of kinds, and that variety they could not get from the mills in the colony, because we have not got the machinery here, nor the designers necessary to produce them. Consequently you would only be imposing on these people extra burdens by raising the duty for no purpose at all. It would also be very hard upon a woman if she wanted a low-priced dress-piece and could not get it. Coming to blankets and rugs, we find that the mills manufacture a very large quantity of blankets. We buy a very large quantity ourselves, and they are produced to advantage; but when you come down to the gum-digger and the poor people with large families they want something cheaper than the colonial mills can supply, and we have to supply that demand. We get cheap blankets and rugs, but you can get an imported rug that costs about half the price of the colonial one. I refer, of course, to the very cheap articles. Then we come to mantle-cloths used in making up jackets. People will have jackets when they are fashionable, and we have to keep an immense variety of stuff. You could not get that variety here even if the mills could make the stuff at all. I have samples of a large number of kinds here, and the amount required in the colony of one kind would be so small that it would not pay to put it on the looms. The upshot of that would be that any woman who wanted to buy a jacket of a particular kind would have to pay a great deal more for it than she would if the stuff were imported, and I maintain that if people have not got the money with which to pay for the better article it would be very hard to make them pay more for the cheap goods. With regard to shoddy, it has already been said that most of the smooth-faced cloths have more or less shoddy in them, and if a law were once passed that goods should not be sold that had anything like shoddy in them you would not know where the matter would end or what the additional burdens on the people would amount to. There is hardly anything in these goods that would not be brought under the provision. The question is not merely confined to tweeds. It takes a very much wider range, and would affect a great many more people than any one imagines looking at it from first sight.

149. *Mr. Rutherford.*] You stated that these vicuna suits can be supplied retail at about £1 5s. ready-made?—Yes, made up in the ordinary factories.

150. I presume the cost of the raw material is very small as compared with the cost of the labour required to produce them?—It might make a difference of 2s. or 3s. If you made a difference of 2s. a suit in the initial cost, by the time it got to the consumer it would mean 3s., and perhaps more.

151. But the cost of the wool would be very small as compared with the labour in making the suit?—The people want either a vicuna or a serge. You can get an English tweed at two-thirds of the price of a colonial tweed. I do not say the colonial tweed is not relatively as good value, but it is a matter of price. If a man wants a twenty-five-shilling suit we have to get it for him.

152. But is not the price of the goods influenced more by the price of labour than by the cost of the material, and therefore the reason why goods manufactured here are much dearer, or cost an additional price, is that the labour here is dear?—There are poor people who cannot afford to pay a higher price than they pay for this low-class stuff, and if the duty were raised on that class of goods these people would be called upon to pay more.

153. Then, I understand you are not in favour of any change in the tariff?—Certainly not. The woollen-manufacturers have the benefit of 22½ per cent., which is ample protection, and the only trouble is that there are too many woollen-mills in the colony. There are ten mills, or one mill for every 90,000 people. If we had a large export trade it would be a different matter.

154. *Mr. Barber.*] With regard to ladies' dress and mantle cloths, these are practically not manufactured in the colony—the mills do not lay themselves out for it?—A great point was made by one of the representatives of the woollen-mills, that his mill could not make dress-tweeds on account of the stuff that was being imported; but the reason for that is that their class of tweeds was not in fashion, while their price was so high in comparison that only a few people could buy them. Mr. Hercus, I understand, said that they lost money over their mantles.

155. You say that the colonial manufacturers cannot produce stuff that will compete with the samples produced?—I say that the mills do not and cannot compete with them.

156. You said that the imported dress-material was 1s. 5d. a yard, and that the best thing the mills could do would be up to 2s. I want to show that the mills are not entering into that business at all?—It is not a matter of comparison at all. What I want to show is that if the matter were carried any further a lot of goods would come under the increased tariff which would be of no benefit to the woollen-mills at all. I am not arguing against the mills as far as they go and can do.

157. Do the mills make women's dress-tweeds and mantle-cloths?—They have made them, but I do not know exactly whether they are doing so at the present moment. They have attempted to make them.

158. Are they making dress-goods now?—Yes, to a very small extent.

159. Have they ever made mantle-cloths?—Not to my knowledge. I have been told that they imported the cloth. My point was this: not to say there was no comparison in the cloths at all, but to show that the mills cannot advantageously make these dress-goods, and that if this extra duty were imposed it would fall upon such articles as these with no advantage to the mills, and would increase the burdens of the people.

160. I understood you to say that the shoddy used in these mills was practically blanket-sweepings ?—That would be in the common rugs.

161. What is the price of the cheapest rug like the sample produced ?—5s. 10½d., ten-quarter.

162. Are you aware that in the Old Country shoddy-mills buy up old rugs, tear them up, and sell them to the manufacturers ?—Yes.

163. Is not that worse than blanket-sweepings ?—Yes ; and I say that up to a certain point our mills can make certain goods to advantage, but when you get below that point they cannot do it. On the other hand, there are a large number of people in this country who require the cheaper goods and must have them.

164. Is it not a fact that a few years ago the mills in this colony were not competing with the English manufacturers as they do now ?—It took them time to grow and improve their goods, and as they improved them they pushed other goods out, but they have not had any extra duty put on, and have done it with the present duty.

165. Do you not think that if they had an equal opportunity it would apply to those other articles you show to-day ?—No ; because they have not got the stuff.

166. *Mr. Witheford.*] With regard to the cheap clothes made of New Zealand wool and sold at £1 5s. a suit, are they not really superior to the low-grade shoddy goods from Home ?—I say that down to a certain price for an all-wool tweed the New Zealand article is as good as you can get anywhere.

167. You are of opinion that there are too many mills in New Zealand, and think that one would be sufficient ?—No ; I said that there was one mill to every 90,000 people—that is, to every man, woman, and child in the colony.

168. By encouraging the manufacture and use of New Zealand tweeds will it not give a future to our boys and girls and foster the use of New-Zealand-made clothes ?—You cannot force people to wear what they do not want.

169. Do you approve of Mr. Chamberlain's preferential scheme ? He made the statement that if the preferential tariff were carried people on the Continent interested in clothing-manufacture would take their machinery to England and employ labour there ?—I do not see that.

170. If the tariff were raised on imported clothing would it not have the effect of employing more people in New Zealand ?—I do not think so, because there are too many at it already.

171. Did you observe the statement that was made in the House of Commons the other day, that trousers were being made in the east end of London for 2½d. per pair ?—That does not apply here, because the workers are protected by their log and the Arbitration Court.

172. Are these imported goods made up by "sweated" people ?—No ; they are all bought from respectable manufacturers.

173. If the hours of labour in England are longer and the wages lower than they are in New Zealand, do you think the New Zealand people are justified in buying these English goods ?—There are very few ordinary fair-priced tweeds imported here except for tailoring purposes, and fashion comes in there. Take, for instance, the saddle tweeds ; there are not many imported.

174. Would not the workers of New Zealand still wear clothes even if the English-made goods were stopped from coming in altogether ?—Yes ; they would have to wear what they do not want and pay a great deal more for them. In mantle-cloths and dress-stuffs you could not produce the variety in this country.

175. *Mr. Buchanan.*] Is this English-made [Sample produced] ?—Yes ; that is a serge.

176. Is it mixed with shoddy ?—It is very hard to say what it is.

177. What would be the cost of colonial material similar in appearance to this, all pure wool ?—The mills could not make it for double the money, even with the duty on it. It is marked £1 5s. for the suit. That costs, landed here, 2s. 4d. a yard double width.

178. What does an ordinary suit of rough tweed cost, similar to what I wear, to the purchaser, tailor-made ?—That depends a lot upon the tailor. Some tailors charge more for making a suit than the material costs.

179. How do you place the several items in the cost of such a suit, between the raw material, the tailor, and the trader—in what proportions ? What is the cost of the wool in the first instance ?—I have not come prepared to go into that.

180. *The Chairman.*] The tendency of your evidence, I take it, is this : that for a certain class of goods the colonial manufacturer supplies the wants ?—Yes, he does.

181. But below that goods have to be imported and will continue to be imported ?—Yes.

182. And tweeds, if they had to bear an increased duty, would not be used ?—No. That is, no more colonial-made tweeds would be used.

183. Taking, for instance, the country trade, does that apply to the country trade as well as to the town trade ? Do the people generally buy that cloth you call "vicuna" ?—The working-men in the country up our way wear the cotton denims every day, or flannel shirts with tweed trousers, and the blue vicuna on Sundays.

184. Coming to the question of relative values for suits used by country people—take the suit sold wholesale at £1 5s. made of New Zealand tweed and the imported material made up in New Zealand at the same price : value for value which is the better ?—That is a very difficult question to answer.

185. Can you tell me if a suit of imported cloth—vicuna or anything else—that will cost £1 5s. wholesale is put into competition with New-Zealand-made tweed, which will give the best results in the shape of wear in the case of a country farmer ?—It would depend upon the use he was going to put it to.

186. Supposing he took it for Sunday use first and then used it for ordinary every-day purposes afterwards, which would be the better ? Say a man buys a suit of colonial tweed at a store, how would

it compare with a suit made of imported cloth and put together here and sold at the same price? Which of those two suits would be the better value to a farmer in the country for hard wear?—That is a question that can hardly be answered.

187. You cannot tell me?—If he wanted to go out and start ploughing in it, of course the New Zealand suit would be the better.

188. I say let him start wearing the suit on Sundays?—He would not want a rough suit for Sunday wear. Men want the blue cloths, and many of these young fellows will not have the rough tweeds.

189. I want to get at the relative value to the farmer of a suit of clothes which will cost £2, of New Zealand tweed, as against a similar suit of imported tweed?—I do not think there are many tweeds imported that would make up a £2 suit. That New Zealand tweed at 1s. 4d. a yard is as good an article as you could get in the world for the money.

190. Let us take a thirty-shilling suit made of New Zealand material as against a suit costing 30s. of Home-manufactured tweed: which is the better?—They would be just about the same thing. When you go into the lower articles the competition comes in in these blue cloths.

191. There are lots of stuffs which are imported from Home and are mixed with cotton, and when a boy puts a suit of it on once or twice the stuff washes right through?—All I can say is that we do not keep such stuff in Auckland. We do sell a very small quantity of low-class tweed.

191A. What is the lowest-priced suit that is made of colonial cloth?—Somewhere about 18s. We do not make up these lowest-priced men's suits of imported tweeds at all. We make them up of colonial tweeds, but when we come to the blue cloths we make up the vicuna.

192. You are really making up all your lowest-priced tweed suits from colonial material now?—Yes, all men's suits.

193. You use more of the other material for boys' suits?—Yes; for little boys' cheap knickerbockers or cheap suits.

194. *Mr. Hardy.*] Colonial tweed, you say, can be bought at 1s. 4d. per yard: is that the mill price?—Yes.

195. You spoke of twenty-five-shilling suits: is that the retail price?—Yes; the wholesale price is 18s.

196. Your contention is that we cannot compete with that class of stuff?—You cannot make that article. People want that article and you cannot make it.

197. But an ordinary farmer who wants a cheap suit of clothes has no difficulty in getting accommodated, because you cannot compete with colonial tweed?—No, we do not attempt it until we get down to the very cheap stuff.

198. And the Wellington trousers I was asking Mr. King about, I suppose you know something about those?—We have some very cheap trousers.

199. What priced trousers would that make up into [Sample produced]?—That is Onehunga tweed and sells at about 4s. 6d. wholesale.

200. And these take the place very largely of moleskins?—Yes; moleskins are dead. The only things used very largely by the working-classes are denim goods. The majority of the workers use these for working in, and want blue suits for Sundays and holidays.

201. Is there any shoddy in the Onehunga tweed?—No.

202. What is it made up of?—All pure New Zealand wool.

203. Is it of presentable appearance?—Yes, it is fair.

204. Will it wear well?—It will wear strongly.

205. And it will be useful as an article of clothing?—We are not brought into competition with that. We are making it up.

206. *Mr. Laurenson.*] There was a suit that Mr. Hardy asked you a question about and which you said was retailed at £1 5s., while the wholesale price was 18s.?—Yes.

207. What do you pay for getting a suit of that description made up?—I think it costs us something like 10s. 6d., speaking from memory—somewhere from 9s. to 10s. 6d.

208. *Mr. Rutherford.*] You stated that trousers were made up from a certain class of tweed at from 4s. 11d. to 5s. 6d. wholesale?—We pay the log price whatever it is for those—from 1s. 9d. to 2s. In connection with those colonial goods, there is very little made out of them, because there is so much competition.

*ARTHUR ROSSER examined. (No. 7.)

209. *The Chairman.*] What is your name?—Arthur Rosser. I have been authorised to appear as a delegate from the Auckland Trades and Labour Council before the Committee appointed to take evidence on the question of a proposed increase of duty on shoddy goods.

210. Would you like to make a statement, or would you prefer to answer questions that may be put to you?—I would like to make a brief statement, because part of what has been allotted to me to say on this question has already been covered by Mr. King. I may say that I am president of the Auckland Tailoresses' Union, and secretary of eight other unions. I am a carpenter by trade, and therefore am not directly interested in connection with textile fabrics. The matter came before the Auckland Trades and Labour Council, and was discussed at one of our meetings, and referred to the Auckland Tailors' Union, which is affiliated to the Trades Council, with a request that they would report on it, as it interested members of that union more than any other. A fortnight afterwards their report was brought up, and was to the effect that their union was totally opposed to any proposed increase in the duty on so-called shoddy goods. Of course, the question of shoddy goods has already been brought up here, and, although it covered in the first place a very common and undesirable article probably, we now consider that it could be made to include some of the fabrics that are very much in use by people in our northern climate. In this matter we have the question of climate to consider, and however desirable it may be that all-wool articles should be worn in the southern part of the colony, we in

Auckland for the greater part are satisfied with clothing which will meet our demands. I cannot be accused of having a direct self-interest in this matter, as I am a working-carpenter on a weekly wage, but I am representing the workers in the northern part of the Island. Our purchasing-power, as pointed out by the previous witness, might be very considerably reduced by an increased duty. I am the father of a family. I have girls of my own, and in this category I am placed with other workers who have girls who want, for instance, a jacket for a season. Now, if we were precluded by reason of an increased cost or duty being placed upon such goods, we should be thrown back upon the colonial article, which costs at present much in excess of the imported article—that is, the raw material which goes to make up these jackets. For instance, our women in the North—and I do not suppose they are different from the women in the South—are bound down by fashion. Whereas, as men, we can get a suit to wear for two or three years, first as our best evening suit and then as a working-suit, our women-folk cannot be placed in the same position. Fashion is so inexorable that a woman will not wear a jacket, even if not half worn out, if it is out of date. We kick against fashion, but we follow it all the same. I have a girl, and she has to wait for a new jacket the same as other girls; but they do not have to wait so long at present, because they can get one for 15s. or £1, of the cheaper kind, whereas a warmer article would cost them from £1 10s. to £2. There may not be that difference at present, but we have to consider a prospective rise in the colonial article if the duty were increased. The imported article now keeps the colonial article down in price, and it is only human nature to suppose that the colonial article will go up in price if a further duty is placed on the imported article. Machinery may be introduced to produce the article required in the colony, but until the machinery is introduced, as workers we have to think of our present needs. I have already mentioned that the matter of climate should enter into the question. Although we workers in the North have our battles to fight with employers in other directions, yet on this subject we combine forces, and I am sent by the Trades and Labour Council to give the mind of the Council on this question as it affects the workers.

211. *Mr. Rutherford.*] Do I understand you to say that in your opinion the imported article is, as is the colonial article, made with wool, more or less?—Yes.

212. *Mr. Barber.*] You instanced the matter of ladies' jackets, and said that you could get one for £1 or £1 10s.: how many yards would there be in a ladies' jacket?—I could not tell you.

213. Would you be surprised to learn that there were not more than 2½ yards in a ladies' jacket?—There would be about that, I should say.

214. Can you not see that the difference in the price between £1 and £1 10s. would be in the labour, and that you are working against the interests of the Tailoresses' Union?—The members of the Tailoresses' Union are bound down by a log, and have been for several years.

215. But the difference in cost is not on account of the material, but the labour?—Well, by the time it reaches the workers it is past finding out where the difference is clapped on.

216. *Mr. Witheford.*] Do you speak for the Tailoresses' Union of New Zealand?—No, because we are not federated.

217. With regard to the tariff, you think the workers do not approve of any increase?—Not in Auckland.

218. Who will pay that increase if it is levied?—The workers would, every time.

219. What is your opinion in regard to improving the position of those engaged in manufacturing? Do you think the tariff should go up or that wages should come down?—I think it should be left as it is. We do not want wages to come down. We are fighting to keep them up to their present level. As to the tariff, I think when you once commence to interfere with it you will not know where it will lead to.

220. What about the woollen-mills?—I understand most of the woollen companies are paying 8 per cent. on their capital.

221. The Auckland factory has not only made no profit during the last year or two, but has lost the profits of previous years?—I am not aware of that.

222. *Mr. Buchanan.*] You referred to the question of jackets as one article of clothing: broadly speaking, what would you think is the difference between the cost of the imported article and the colonial-made article, either in money or percentage?—I have no idea—not the slightest.

223. Are you afraid that if the imported article were shut out the cost of the colonial-manufactured article would be greatly increased by a combine or trust between the woollen-mill companies?—Yes.

224. Do you think the buyer of clothing is a reasonably fair judge of the value of what he buys?—It all depends on whether I buy it or whether my wife buys it.

225. Have you anything to tell the Committee as to your opinion whether wages have risen faster than the cost of living?—I have conducted many cases before the Arbitration Court—over twenty of them—and my opinion is that the cost of living goes up with the increase of wages.

226. And do you wish the Committee to infer that the workers have not benefited at all by the rise in wages?—No, not to that extent.

227. You think the rise in wages has been greater than the increased cost of living?—Yes.

DAVID ROBERT CALDWELL examined. (No. 8.)

228. *The Chairman.*] What are you?—I am a partner in the firm of Macky, Steen, and Co. I can only speak in corroboration of what previous witnesses have said. I might mention that in connection with what are called cheap suits we import very little of the cheap material. Speaking for the colonial department of our firm, it is nearly all colonial stuff that we manufacture. It is only, as Mr. Finlayson has pointed out, for these little boys' knickers, costing from 2s. 6d. to 4s. 6d., that we import the cheap stuff, because people do not want their boys to climb trees and romp about in the better-class goods.

229. You do not think that a great quantity of inferior stuff is foisted upon the public?—No; I think the public are very good judges of what they buy. You may find a man now and again paying £2 5s. for an inferior article, but he will never again go back to the shop from which he bought it. People are very often much better judges of material than the salesman who sells it to them.

