

SESSION II.
1906.
NEW ZEALAND.

LABOUR BILLS COMMITTEE, 1905 :

REPORT OF THE) ON THE PETITIONS *RE* INTERNATIONAL HARVESTER TRUST; TOGETHER
WITH MINUTES OF EVIDENCE.

(MR. ARNOLD, CHAIRMAN.)

*Report brought up on the 26th day of October, 1905, and ordered to be printed on the
3rd October, 1906.*

ORDER OF REFERENCE.

Extract from the Journals of the House of Representatives.

WEDNESDAY, THE 28TH DAY OF JUNE, 1905.

Ordered, "That Standing Order No. 218 be suspended, and that a Committee consisting of twenty-one members be appointed, to whom shall be referred the Industrial Conciliation and Arbitration Amendment Bill and certain other Bills more particularly referring to labour; five to be a quorum: the Committee to consist of Mr. Aitken, Mr. Alison, Mr. Arnold, Mr. Barber, Mr. Bedford, Mr. Bollard, Mr. Colvin, Mr. Davey, Mr. Ell, Mr. Fisher, Mr. Hardy, Mr. Kirkbride, Mr. Laurenson, Mr. Millar, Sir W. R. Russell, Mr. Sidey, Mr. Tanner, Mr. Taylor, Mr. Withford, Mr. Wood, and the mover."—(Right Hon. R. J. SEDDON.)

THURSDAY, THE 12TH DAY OF OCTOBER, 1905.

Ordered, "That the petitions of W. J. Cunningham and others, G. Henderson and others, A. C. Innes and others, W. McDougall and others, W. H. Orme and others, E. V. Price and others, E. Till and others, and F. F. McCausland and others, be referred direct to the Labour Bills Committee."—(Mr. McLACHLAN, Mr. ELL, Mr. TANNER, Mr. DAVEY, Mr. E. G. ALLEN, Mr. TAYLOR, Mr. BUDDO, and Mr. LEWIS.)

FRIDAY, THE 13TH DAY OF OCTOBER, 1905.

Ordered, "That the petitions of T. W. McCune and others, J. Thompson and others, J. Goodall and others, A. E. Andrews and others, E. B. Aitken and others, P. H. Pay and others, and E. E. Pichlis and others, be referred direct to the Labour Bills Committee."—(Mr. BAUME, Mr. BEDFORD, Mr. FLATMAN, Mr. ARNOLD, Mr. DAVEY, Mr. HANAN, and Mr. MILLAR.)

MONDAY, THE 16TH DAY OF OCTOBER, 1905.

Ordered, "That the petition of B. S. Nicholls and 34 others be referred direct to the Labour Bills Committee."—(Mr. BAUME.)

WEDNESDAY, THE 18TH DAY OF OCTOBER, 1905.

Ordered, "That the petition of A. Rosser and others be referred direct to the Labour Bills Committee."—(Mr. BAUME.)

REPORT

ON PETITIONS *RE* INTERNATIONAL HARVESTER TRUST COMPANY.

PETITIONS of W. J. Cunningham and 76 others (No. 616), G. Henderson and 1,113 others (No. 617), A. C. Innes and 899 others (No. 618), F. F. McCausland and 384 others (No. 619), W. McDougall and 599 others (No. 620), W. H. Orme and 100 others (No. 621), E. V. Price and 3,850 others (No. 622), E. Till and 125 others (No. 623), E. B. Aitken and 541 others (No. 633), A. E. Andrews and 554 others (No. 634), J. Goodall and 40 others (No. 635), T. W. McCune and 38 others (No. 636), J. H. Pay and 269 others (No. 637), E. E. Pichlis and 1,081 others (No. 638), J. Thompson and 359 others (No. 639), B. S. Nicholls and 34 others (No. 646), A. J. Roberts and 76 others (No. 648), L. Willis and 593 others (No. 649), and A. Rosser and 107 others (No. 652).

Petitioners pray that your Honourable House will be pleased to take steps to prevent the establishment in this colony of a huge trust whose methods and operations, not being subject to labour laws akin to those of New Zealand, will be detrimental to the best interests of the workers of this colony.

The Labour Bills Committee, to whom was referred by your Honourable House the above petitions, have the honour to report that the matter involved is one of policy, and they refer the matter to the earnest consideration of the Government.

Parliament Buildings, 26th October, 1905.

J. F. ARNOLD, Chairman.

MINUTES OF EVIDENCE.

FRIDAY, 13TH OCTOBER, 1905.

Deputation of employees in attendance.

HARRY WILLIS examined. (No. 1.)

1. *The Chairman*: What are you?—An ironmoulder.

2. Employed at?—Messrs. Andersons' (Limited).

3. Of Christchurch?—Yes.

4. You wish to give evidence with regard to these petitions?—I should first like to state the request of the workers, and then to make a few remarks in support of that request. Is there any particular form of procedure?

5. No. Just make your statement in your own way?—I may say briefly that the workers' request is that a duty of not less than 40 per cent. should be imposed on all imported American agricultural implements and machinery. They wish it to be clearly understood that they do not ask for any duty to be imposed on any American machines or implements if similar machines or implements are not manufactured in the colony at the present moment. In support of that request I may say that I have here a copy of a report of a joint conference held by representatives of the Trades and Labour Council and the Industrial Association, from which I propose to read extracts. This refers to the agricultural-implement industry in New Zealand, and extracts are taken from the evidence given before the Royal Commission appointed in Australia in connection with the International Harvester Trust's operations in that country.

"The industry is practically stationary" [this paragraph applies to the colonially-manufactured implements], "and is not increasing as it should do in accordance with the increase of population and wider settlements of the lands. Were it not for the heavy freight charges, &c., on drays and rollers, which prevent their importation to any large extent, the manufacturers would not be able to show even as good results as they now do. Evidence was given that manufacturers were decreasing their turn-out and increasing their importations in self-defence to enable them to compete with the American imports. There is an increased demand for agricultural machinery of all descriptions, but this is being met by increased importations and not by increased local manufactures.

"Outside competition is seriously increasing. The import values of 1900 were £72,000; 1904, £124,000; and 1905 showed every prospect of a large increase over 1904. Of the total £124,000 for 1904, the American contribution was £80,000. From Great Britain the imports were £34,000, but the class of goods received hence do not enter into competition with those from America.

"There are certain types of implements made in the colony which are much preferred by the farmer, but the American manufacturers are now copying them and putting them on the market at lower rates. The Americans are making great inroads with such machinery as drills, cultivators, ploughs, hay-rakes, harrows, and discs. . . . The Customs tariff is a serious handicap to the industry. The made-up machines come in free of duty, while the local manufacturer, who must of necessity import some of the material used in the made-up machines, such as pipes, galvanised iron, clear-pine, and hardwood timber, has to pay duty on same. The preferential tariff also affects materials such as bar iron, steel bars and angles, and various articles of hardware and raw material used by the colonial manufacturer.

"Evidence was produced that America was practically making the colonies a dumping-ground for her over-productions, and that reapers-and-binders selling in New Zealand at £45 were catalogued in America at \$250.

"One local firm had endeavoured to make a specialty of a certain machine, and just as success crowned their efforts they found that one had been sent to America, copied there, although lighter and flimsier in build, and was now being imported duty-free and sold so much cheaper that the local article was completely knocked out.

"At the joint committee meeting already referred to considerable evidence was given, and statements were made as to the working of the American International Harvester Trust, and the disastrous effects likely to ensue unless some means were taken to stop its operations, which means the closing of our factories, the throwing-out of work of the large number of hands now employed in this particular branch of our local manufactures, and, in the long-run, when all competitors are crushed out by the 'system,' a very heavy increase in the price of all agricultural implements and machinery, to be ultimately borne by the farmer.

"The following facts are submitted for the serious consideration both of employer and employee. Both are equally interested in this vital question, and the only hope is in united action:—

"*The American International Harvester Trust.*—The trust is here, and, making all due allowance for American bluff, unless otherwise prevented has 'come to stay.' It has already made itself felt in Australia, and some very pertinent evidence as to its methods has been placed before the Royal Commission on Customs, Excise, and Tariffs in Melbourne. In April last the question of agricultural implements and machinery was dealt with, and a few extracts from the sworn evidence may prove valuable, as they are equally applicable to this colony:—

"*Witness*: I desire to impress upon the Commission the necessity of the Federal Parliament

giving due consideration to the local manufacturers, and fixing such a duty as will give them a considerable preference over imported machines. That the Government should not permit of colonial makes being pirated by importers, who have looked on till the stage when our machines become perfect, and then have secured samples and shipped them to America as copies to be manufactured from and afterwards to be brought out to compete with us; and I am placing evidence before you to show that the trust, who boast of having captured 90 per cent. of the world's trade in agricultural machinery, are now after the remaining tenth; and we are forced to ask help at the hands of the Federal Parliament, or our occupations are in great danger. In asking for the imposition of this duty, I can undertake that the price to the farmer will not be increased; but there is every probability of the lowering of the prices. All the manufacturers agree that if we had a greater output the prices would come down.

Witness: The Victorian manufacturers have good grounds for fearing that they will shortly be prevented from carrying on in the face of competition, which is fierce and unfair. If Australian makers are compelled to fight for their existence against American trusts and combines, whose avowed object is to annihilate them; if these combines have many millions sterling at their command, and huge selling organizations established throughout the Commonwealth; if they are secured from outside competition themselves by a prohibitive tariff; if the duty they are compelled to pay to the Commonwealth amounts to less than 5 per cent.; if they can obtain freights which amount to less than half those imposed upon local manufacturers, with the advantage of cheap coal and iron, longer working-hours, and less wages paid to their operatives, then I contend the competition is unfair. The duty in America against Australian implements is 45 per cent., which, with the high freights ruling outwards, puts any attempt to export to America out of the question. A high duty imposed here would be a reasonable recognition of the merits of protection, as our American imitators and competitors understand it. The foreign imitators would have to stay out, or come into the Commonwealth and make their machines here, working under like conditions to ourselves, giving employment to our artisans, and helping to develop our coal and iron resources.

Witness: The combine's avowed intention is to wipe out Australian competition in Australia. The representatives of the combine openly boast that they hold 90 per cent. of the world's trade in harvesting machinery, and that they are after the other 10 per cent. In support of that statement I beg to submit a sworn declaration as follows: That I was interviewed by Mr. Beale, one of the travelling representatives of the International Harvester Company of America, and that the following conversation took place: Mr. Beale said, 'The International Harvester Company is determined to get hold of the trade in harvesting machinery, and it's only a matter of a little time till we knock out all the local men.' I said, 'You can't beat McKay.' 'Yes,' he replied, 'we'll beat McKay. We have unlimited money behind us, and even if we worked at a loss for three years we are bound to beat him. If McKay's agent at Namurkah is getting the trade, we shall put on two men to beat him. If they don't succeed we shall put on three, or a dozen if need be. We don't care what money it costs, we shall secure the trade. McKay had an offer from us to buy him out, and he will live to regret the day that he refused the offer. We are going to close him up.'

"There are over fifty pages of evidence directly bearing on this question published by the Royal Commission, but the above will no doubt prove sufficient to show that the trust question is not one to be trifled with.

"The trust is now in New Zealand, and has established its headquarters in Christchurch, and is commencing to do business. Their first move has been to shunt New-Zealanders who have been in the trust's employ, and to fill their places with Americans whose business training has made them not quite so sensitive as the colonial in carrying out the trust's methods. New-Zealanders who for years have been purchasing-agents for American machinery are being shelved, and the various machines known under various names are being concentrated under one roof. The heads of the £24,000,000-sterling trust see what a grand opening they have in New Zealand, and it is only reasonable to suppose that if those same individuals were domiciled in New Zealand instead of America nothing less than a 45-per-cent. duty would suit them. The tariff should be kept free for countries that have a free port, but not otherwise; and in this connection it might be mentioned that America imposes a duty even on our raw products, such as wool, flax, &c. If the industry was protected as it should be competition would be on more equal terms; but without some such tariff our manufacturers cannot hope to stand against the great American financial magnates. Government must be asked to come to their assistance, and it is to the interest of every worker to join hands with the employer in order to impress upon the Government the gravity of the situation, and that only by their assistance will it be possible to fight with any hope of success this gigantic trust, whose avowed objects are the closing of every implement-factory in the Australasian Colonies."

Those, gentlemen, are the reasons adduced for the workers' request. I may say that in opposition to that request the farmers passed several resolutions at their meeting held in the Agricultural Hall on the 13th of last month, which meeting I attended. I dare say you have seen copies of those resolutions. I have not got a copy of them here. The gist of the resolutions is that in the opinion of the farmers the agitation now raised by the workers is premature. Surely, in the face of the evidence which I have just read to you, such a resolution will not require to be answered by me. The last resolution they arrived at was "That the farmers be recommended where practicable to purchase colonial implements." That I take as a compliment to the colonial implement-manufacturers. Therefore the only objection that can possibly be raised by the farmers to the duty asked for by the workers is that in the event of a duty being imposed the whole trade will be thrown into the hands of the colonial manufacturers, with the result that there would be a possibility of the colonial manufacturers combining for the purpose of bleeding the farmer by raising the

price of the implement produced. My reason for making that assertion is this—these are the words of Mr. Wilson, president of the executive of the Farmers' Union, as reported in a newspaper: "Mr. Wilson said that personally his sympathies were naturally with his countrymen in their desire for competing with American goods, and if he could be assured on certain points that if the necessary power were given to protect the home industries it would not be abused in the future, then his free-trade principles might be modified." The conclusion I draw from those remarks is that the farmers are afraid that the local or colonial manufacturers will combine if they have the trade entirely in their own hands. Personally, I think this is only an assumption—it cannot be anything else than an assumption—and I am distinctly of the opinion that it is a most illogical assumption, for this reason: If the local manufacturers have the trade entirely in their own hands, necessarily there will be a very much increased demand. In order to meet that demand it will be necessary to increase the facilities for producing the increased number of machines required, and increased facilities necessarily tend towards specialisation and cheapness in production. Followed to its logical conclusion, this means a cheaper article when retailed. That I contend is the only logical conclusion to be arrived at. Then, I should like to state that the employers are prepared to pledge themselves not to raise the price of their machines if the prayer of the petition is granted—namely, that a duty be imposed on the imported American article. I should like in this connection to read a letter that I have here from Messrs. Scott Bros., founders, of Christchurch. It was written to the Employers' Association, and is as follows: "When we started manufacturing ranges the price of the 3 ft. range was about £7, and it was afterwards reduced to £6. During this period ranges were subject to a 10-per-cent. *ad valorem* duty. Almost immediately after a 25 per cent. *ad valorem* duty was placed on them, they were reduced to £5, and they have been gradually reduced until the present price is £3 10s." The following remarks were made by Mr. Peppler at a meeting of the Industrial Association: "Mr. Peppler said that in the furniture trade prices charged now were about 20 per cent. lower than before the rise of wages on account of the Arbitration Court's awards and the rise in the price of material. That showed what could be done by people supporting local industries. There was no more profit in those days than now. Farmers would not have to pay a penny extra if the implement-manufacturers were protected." I simply read this to you to prove to you that the imposition of a duty on imported machinery and articles has led to an increase in the trade in the colonies, with a corresponding advantage to the purchaser in being able to purchase at reduced prices. I should like now, with your permission, to read an extract from the *British Trade Review* for the 1st July, 1905: "Speaking last month Mr. Frank Warner, of the firm of Messrs. Warner and Son, silk-manufacturers, Braintree, gave statistics showing that since 1860, when the duty on foreign silks was removed, there had been a falling-off of 70 per cent. in the number of people employed in the industry, and a decline of 85 per cent. in our dealings in raw silk. He said that the distress in the English silk towns was due almost entirely to our present system of free imports of those goods which we could make at home. While the United States, with a duty of 60 per cent., had built up the greatest silk industry in the world in a little more than twenty years, the British silk industry, through the abolition of all duties, had been practically ruined. Since 1880 we had imported foreign silk goods—which were the luxuries of the rich—to the value of £509,486,931." I read that extract to show you the effect of the "open-door" policy on the one hand, and a high protective duty on the other: on the one hand we have England, a nation with hundreds of years of experience, which stood at one time practically pre-eminent as the industrial and commercial nation of the world. On the other hand we have America, a comparatively young nation. America has an import duty of 60 per cent. on this article—silk. In England there is no duty at all. In the space of twenty years America has built up an industry the greatest in the world, while 70 per cent. of the employees who were engaged in the silk trade in England are at present in other occupations, or have gone to other countries—possibly to America itself, to assist to support the trade, which has practically ruined that in their own country. That is the position we are afraid of in this country. If England, with hundreds of years' experience, cannot stand against America under those conditions, what possible chance has New Zealand under even worse conditions?—because Englishmen had the experience, the appliances, and the material, while we are a young country; we have not the advantages they had: consequently, with the duty-free article we are in a worse condition than they. America is going ahead by leaps and bounds, while the artisans of England are leaving by thousands for other countries where they can work under better conditions. I should like, in conclusion, to refer you, gentlemen, to the deputation that is here to-day. This deputation consists of representatives from the agricultural-implement trades of New Zealand, representatives from the various allied organizations throughout New Zealand, and representatives from the Industrial Association; and I hold in my hand a letter from the Canterbury Chamber of Commerce. That is the point that I wish to emphasize, gentlemen, that under ordinary circumstances the factions composing this deputation are at variance; they are at variance on nearly all trade matters, social matters, and political matters; while upon this question there is absolutely unanimity. In not one instance with any of the organizations that we appealed to and placed this question before have we had a single rebuff. The whole of the organizations represented here to-day, and the whole of the members of those organizations are unanimous in the prayer of the petitions that have been presented to Parliament. This, surely, should be a proof to you of the serious crisis that is anticipated by the coming of this trust to New Zealand. I will now, with your permission, read you a letter from the Chamber of Commerce: "In reply to your circular of the 8th September *re* International Harvester Trust . . . the following resolution was passed at a committee meeting held yesterday: 'In the opinion of this Chamber the operation of the implement trust is a distinct menace to the industrial and commercial pursuits of this colony.'—Yours, &c., H. ANTILL ADLEY, Secretary, Canterbury Chamber of Commerce." That concludes my remarks, gentlemen.

ARCHIBALD CHARLES MITCHELL examined. (No. 2.)

6. *The Chairman.*] What are you, Mr. Mitchell?—Works foreman at Messrs. Cooper and Duncan's (Limited), Christchurch.

7. Will you make your statement?—Mr. Chairman and gentlemen,—In view of the remarks that have fallen from our chairman of executive, Mr. Willis, who has touched in a general way on most of the subjects that I had intended to speak upon, my statement will necessarily be very brief.

8. You say that Mr. Willis is your chairman of executive. What executive?—The committee appointed by the workers to engineer this agitation against the trust. I think I can pass over the reasons that have led to the visit of this deputation, as they have been fully gone into, and turn my attention immediately to our reasons for stating that the operations of the Harvester Trust are going to be injurious to the workers in the implement trade in New Zealand. It seems to me that the best way to prove that contention is to refer to the actions of other trusts which are now operating in New Zealand, and the effect of whose operations is apparent to every one of us. Take, for instance, the Standard Oil Company. I have a note here, which can be proved in its entirety, to the effect that three years ago the wholesale price of kerosene in New Zealand was 1s. 3d. per gallon, and at that time it was under a duty of 6d. a gallon. With the 6d. duty removed the wholesale price of kerosene to-day is 10½d. a gallon, out of which the merchant gets a rebate of 1d. six months after the purchase of the kerosene. The Standard Oil Company took the handling of the business from the merchants who previously handled it, and they now sell through only four agents in New Zealand, who get a very small profit out of the business. The company specify the price at which the merchant must sell the kerosene, and before the merchant takes delivery he must pay cash for the oil and take all risks. He gets the refund only after six months. He pays the cartage on the kerosene both in and out, and the Standard Oil Company hold as a menace over his head the 1d. which he has already paid, and which is refunded only if he can produce a definite statement that he has handled no other oil in the meantime. In this connection I might say, although it is no part of the mission of this deputation, that it seems to me to be a point which might be worthy of the consideration of the Government, whether it would not be wise to further refine Eastern oils, and so tend to break up this monopoly. Another instance, which immediately affects implements, and which is the direct result of the operations of the Harvester Trust in New Zealand, is the case of reapers-and-binders, a machine which it is not our intention to ask for any duty to be placed upon, simply because reapers-and-binders are not manufactured in New Zealand at the present time. It is a significant fact, in our opinion, that a machine which is not now manufactured in the colony should be the very first machine to come under the reforming hand of the Harvester Trust. They are shrewd enough to realise that there is no opposition to be feared from colonial manufacturers in regard to the binder trade, and consequently they feel that they have a much freer hand with the binder than with any other implement. As a result of that the Deering binder, which was sold last year through a local agent for £35, cannot be obtained now, under trust control, under £40. The price from the 1st of the present month is £40. To prove that the price they got last year was a fair one, I might mention that another binder, the Plano, which is now controlled by the same trust, last year sold through agents as low as £28. It will thus be seen that the machine which the trust has practically the sole handling of, and with regard to which local opposition does not affect them, has been immediately subjected to a rise in price. Our contention, of course, is that when they kill opposition or seriously cripple it in other lines of implements the same mode of procedure will be adopted with them, and we can only expect that the price will take an upward turn. That is where, in our opinion, the farmers are going to suffer by the attitude they take up at the present time—to give the Harvester Trust a free hand in the Colony. If they assist us in our request for the imposition of a duty on the American article so as to place us on an equal footing with the American, whose advantages have been pointed out by Mr. Willis, then we feel that the menace under which the farmers stand of having to face this position will be in a very great measure removed. Following the same contention, and to prove that where opposition is removed the Harvester Trust immediately adopts the policy of raising prices, we may take the case of the Sunshine Harvester, a machine very largely manufactured and used in Australia. It was a purely Australian invention, but was pirated by the Americans, manufactured in America, and sold by them in large numbers in Australia. That machine has been invoiced to Australia for Customs requirements at as low a price as £26, and is sold in Australia, where the trust has the local competition to contend with, at £80. In the Argentine, where the trust has practically swept aside all opposition in that particular line of machine, the price the farmer pays is £140. This proves conclusively the result which the unrestricted operations of the trust are sure to have in any country. Then, in further proof of our contention regarding the price of the binder, which the trust have decreed now shall not be sold for less than £40, I will read a short extract as to the cost of harvesters: “The International Harvester Company has had for some time as an employee, at a salary of more than £4,000 a year, Rodney B. Swift, who was several years previously with the McCormick Company. Swift was recently sued by the International on serious charges. His wife has now brought an action against the company, as the holder of twenty-five thousand dollars' worth of stock, claiming an account and relief on the ground of many illegal actions, and that the managing directors be compelled to restore sums fraudulently expended to the amount of nearly \$6,000,000. The bill filed by her solicitor, with interrogatories, constituted a volume of 120 printed pages, from which the *Implement Age* of the 29th June makes some extensive extracts. The illegal acts are bribery of Legislatures, securing illegal rebates from railroads, payments to strike-leaders, evasion of payment of taxes, conspiracy to monopolize the implement and twine industries, corruption of City Councils, fraudulent purchase of four harvesting-machine companies. The case has not yet come on for hear-

ing. We quote statements made as to the cost of various classes of machines. Allowing for all managing and other expenses of every kind and character, the total cost to the company of a first-class harvesting-machine does not exceed \$57, which is sold to the farmer at \$125; a first-class mowing-machine costs \$20, price to farmer \$42; corn-harvesting machine, \$55, \$120; shredder, \$85, \$235. It is alleged that the sales amount to more than \$40,000,000 annually, of which at least 40 per cent. is profit." Another instance which directly affects New Zealand manufacturers is the case of binder-twine, which the Harvester Trust—in addition to many other lines which seemed to us, in the first place, to be altogether beneath their notice—intend to handle. Binder-twine was originally made in America of manila sisal and black hemp, the farmer paying from 11d. to 1s. 1d. He agitated and got a tariff of about 15 per cent. Then the twine was sold for 9d. It then came down to £26 a ton wholesale, and that was the price under the tariff, on the removal of which the price advanced to £37. The farmer, in the first place, had to use the three-ply twine. The single-ply twine, which is the most satisfactory—in fact, the only one satisfactory for use for reapers and binders—was first of all manufactured in Christchurch. It was a New Zealand invention, but was pirated by the Americans, and is now exported from America to New Zealand. Coming to the machines, that more intimately interest the workers represented by this deputation, I will take grain-drills—grain, turnip, and manure drills. The total output for the whole of the New Zealand factories for August—the busiest month—was about forty-three, and we have indisputable evidence that the drills delivered by the Harvester Trust to one station alone in New Zealand up to the end of the same period this season exceeded fifty. The inference is that the same proportion of business is done by them in other lines in other parts of the district, and also in the same lines elsewhere, more particularly in the North Island. Then the terms which the Harvester Trust is prepared to give make it absolutely impossible for the New Zealand manufacturers to do business on anything like an equal footing. The terms offered in many cases—we have accurate knowledge of this—range to four years, the interest running from 6 per cent. to 10 per cent. A clause in the conditions under which their agents handle the goods makes it rather a difficult matter for them to handle articles of any other make than those controlled by the trust; consequently the New Zealand manufactures are placed at a disadvantage in that respect. There are many other considerations which all tend to prove, if you go into them in detail, the disadvantage under which the New-Zealander works—such considerations as distance from the source of supply of raw material, the freights being against us; the difference in the length of the working-day in America as compared with New Zealand; and many others. This brings us right down to the fact that the American machines manufactured under trust conditions—under very much less favourable conditions to the workers than obtain in New Zealand—are admitted to the colony duty-free, while the raw material is in many instances dutiable. I do not propose, as there are one or two speakers to come after me, to occupy the time of the Committee further by detailing anything in the way of technical evidence, but I shall be pleased to answer any question in this respect which you may put to me. In regard to the manufacture of implements generally, I have had an experience of about twenty years, and know just exactly—and feel already—how the operations of the trust will affect us as workers in New Zealand. We feel, with the manufacturers, that the advent of the trust, if not checked, is going to have a very injurious effect on the trade. As a matter of fact, our output this year has up to the present time been very much smaller than it was for the corresponding period of last year, while the total sales of implements in New Zealand have increased enormously, the increased demand being supplied not by locally made, but by imported implements. The very fact that last year the imports of machinery from America and elsewhere totalled £124,000 out of a total amount of about 225,000 pounds' worth sold in the colony is quite sufficient justification for the alarm we feel at the advent of the trust and trust conditions into New Zealand. If the conditions under which we work were equal, or any near approach to being equal—if the conditions were not so enormously in favour of the trust, which can borrow its money at 3 per cent. and lend it out to the farmers at from 6 to 10 per cent., which in itself is a profit, and would enable them if they chose, in order to sweep aside opposition, to sell their goods at cost-price, or even less—the New Zealand manufacturer might have a chance; but the conditions being as they are, it is quite apparent that the New Zealand manufacturer has a very small chance of standing against the competition. We feel that if the conditions are such that the New Zealand manufacturer cannot stand his ground, then the only avenue left open to him will be to turn his attention to importing rather than manufacturing, in which case we, as workers, are the ones who will suffer. The worker is the one who must feel the pinch if the manufacturer decides on that course of action. If it is not possible for the New Zealand manufacturer to go on manufacturing, and he does not turn his attention to importing—because it may be competent for the Harvester Trust with their unlimited capital, if they so chose, to make the conditions unfavourable even to that course of action—then the New Zealand market must immediately become absorbed by the trust. Then will come the inevitable reaction against the farmer. The only inference is that the Harvester Trust will adopt the same tactics that they have adopted in other countries and force prices up to whatever figure they like to ask for any particular machine, and supply only such machines as it suits them best to handle, irrespective altogether of the peculiar requirements of the New Zealand farming community.

W. W. CHARTERS examined. (No. 3.)

9. *The Chairman.*] What are you, Mr. Charters?—President of the Canterbury Industrial Association. I have no connection with the trade itself, except that I represent the Canterbury Industrial Association.

10. It consists of employers, I think?—Employers and employees. I am an employee, but I am president. I wish to emphasize that, because mistakes have been made in the past in that respect. The Canterbury Industrial Association has a very large number of employers as

members, representing all kinds of industries, but they do not sit there as employers—only as members of the association. As Mr. Willis has read to you the report of our joint committee, there is no need for me to go over the same ground. For some months past the Industrial Association of Canterbury and the Trades and Labour Council have been working hand in hand considering the best means of fostering local industry. They have dealt with various trades, and among them there came up for discussion the local implement-manufacturing industry. The course we have taken so far has been to ask the manufacturer, the worker, the seller, and the consumer; to attend our meetings we have certain questions which we ask, and by these means we are able to get the consensus of opinion from all of these. Later we are going to publish the report in full; meantime, at the request of the workers' executive, we have given them our interim report on the agricultural implement machinery question, which you have heard read. I wish to emphasize the fact that the Industrial Association of Canterbury is only too glad to associate itself with the Trades and Labour Council in any movement that has for its object the benefiting of our workers; and I consider this is one of the most important subjects that has ever come before the colony, because it means that if the American trust gets a footing here, five hundred men in Christchurch alone will be thrown out of work. I am sure no one wishes that, and if we can only show the farmer that by patronising the trust he will only gain a little for a little while and lose a lot for a long time, I am sure we will have the farmers with us. I think the fact that the manufacturers have agreed to give a guarantee that they will not raise the price if this duty is placed upon the American machines, is sufficient guarantee to the farmer that he will not be exploited by the local manufacturer.

WILLIAM HENRY UTTLEY examined. (No. 4.)

11. *The Chairman.*] You are president of the Otago Trades and Labour Council, Mr. Uttley?—Yes; but I am not here exactly as representing the Trades and Labour Council. I am representing the workers in the implement industry in Dunedin, together with the Trades and Labour Council. The employees in the agricultural-implement industry in Dunedin sent a note to the Trades and Labour Council asking the Council to call a meeting. In compliance with that request we called a meeting, and there were several resolutions passed there.

12. Was this a public meeting?—Yes; held on last Friday evening in Dunedin. One resolution carried there was that I, as a representative man of organized and unorganized labour, should be appointed a representative on a deputation to come, I understood, to meet the Premier. Giving evidence before the Labour Bills Committee is the thing I was not aware of till I arrived here. I can only emphasize what has been said by the previous speakers. It is no good going over the same ground. There was, however, one point I did not hear mentioned, and that is this: I saw in print a report of an interview that took place in the Australian Colonies some time ago, between a representative of this trust, and either a manufacturer or a reporter, I forget which. This gentleman, during the course of the interview, said that his association were prepared to sink two millions of money to capture the trade of the Australian Colonies. Now, I affirm, that in view of a statement like that—that this association or trust are prepared to spend that amount of money—two millions sterling—protection is scarcely any good to our local manufacturers. That is the way it struck me. The farmers ought to look at it in this way: You may for the time being get your machines cheaper, but as soon as ever the local article is run off, and the trust gets control, the screw is put on. And it will go on as it has been going in some parts of Australia recently and in the Argentine. To bear this out I may state that I have the word of a firm in Dunedin engaged in this business, which firm happen to have been agents for the Deering Company. That machine has been absorbed by the trust. The trust has started business in New Zealand, and as an effect of this the firm I speak of were given notice that their agency would be taken from them as from the 1st October in the centres where the trust had already established offices—Christchurch and Dunedin—and that on any machines which they sold from that date at sub-agencies in the country districts there must be a £5 advance in price—or, the machines that they were selling, and were selling at a fair profit, at £35, must, as from the 1st October, be sold at £40 each. That shows the trust has commenced, and that those are the proceedings it will take, and, if it runs off the local manufacturers here, no doubt it will go on and get any price it likes. The only bright feature I can see about the matter is that in this combination business the trust will get so huge and so unwieldy that the people will rise against it; the machinery in connection with the association will become so great that the Government will have to step in and manufacture the implements themselves.

JAMES HULL examined. (No. 5.)

13. *The Chairman.*] What are you, Mr. Hull?—An ironmoulder.

14. Employed in Christchurch?—Yes. I wish to speak, on behalf of the trade, as the president of the Federated Iron and Brass Moulders of New Zealand. A number of the remarks that I had intended to make have been already made. I wish briefly to state the effect upon those engaged in the industry in Christchurch during the short time the trust has been established there. This is the busy season of the year, and at this time last year every ironmoulder in Christchurch was employed. This year, owing to the number of machines the trust has brought in, there are at the present time from five to fifteen moulders walking the streets. This is just the beginning of the season, and unless something is speedily done to rectify matters by next year more than half the moulders—some sixty or seventy—will be thrown out of employment. The other trades that are directly affected are the blacksmiths, the wheelwrights, and the fitters, and unless something is done there will be two or three hundred men thrown out of employment in Christchurch.

JOHN BARR, President of the Christchurch Trades and Labour Council, examined. (No. 6.)

15. *The Chairman.*] You really represent the Trades and Labour Council?—Yes.

16. What number of workers do they represent?—A little over three thousand. I have really very little to say. The two last speakers have dealt with the technicalities and the details of implement-manufacture. It only remains for me to bear out certain statements which have been made, particularly by the first speaker, one of which was to the effect that we are supported by all the allied and unallied trades in Canterbury, and practically throughout New Zealand. It is a well-known fact that the Christchurch Trades and Labour Council represent almost every trade, there being connected with the Council even agricultural farm servants; and, as to this matter, we were simply asked for an expression of our opinion by the executive set up by the implement-workers. We gave our opinion that trusts were entirely detrimental to the welfare of this or any country in which they were allowed to get a footing. As to the question of the tariff, we want to support the putting of a duty on goods manufactured in the colony. We should like to point out, as a Trades and Labour Council, that we recognise the fact that this duty cannot be of a lasting nature; that it is simply only a palliative, and that something else must be done: but we recognise also that immediate steps must be taken to thwart the methods of this trust as far as New Zealand is concerned, and the putting-on of a tariff we take to be the easiest remedy to apply in the meantime. We expect the Parliament of this colony will require—and we trust it will be done by this Parliament—to pass legislation to prevent the trust from being firmly established in the colony and doing harm to it. That is the feeling of the Trades and Labour Council—that it is against trusts. It is no use my pointing out to this body of men the hurtful nature of trusts. You are all aware, gentlemen, why protection was first introduced in America—to nurse the industries, to bolster them up: and now that they have grown old and have obtained a firm footing, we find that those duties have not been taken off as they ought to have been, but the protected industries extend their operations in a hurtful manner, particularly when the industry is formed into a trust combine. We are quite well aware that the same thing is required here. The same thing was required in the Old Country in 1775 or thereabouts—in the manufacturing industries there. They had to be encouraged by protective tariffs, while the agriculturalists at that date were, short-sightedly, practically asking for free-trade. I think there is nothing else for me to say. I only wish to express and to emphasize the fact that all the trades in and around Canterbury which I represent are unanimous—there has not been one dissentient voice in this matter—in supporting the workers' executive in their application for protection. We recognise that if the industry in question is encouraged in this colony it means that more workers must come to the colony. You will have therefore a better home market for the farmers, and I always hold that the home market is preferable to the foreign market, because your freights and other charges are saved. You invariably can get a better price for your goods right at your own door. That has been my experience in Canada and the United States. We trust that this will be the outcome of the protection of the home industry—an increased market for manufactures and an increased production.

QUESTIONS AND REPLIES.

Mr. Willis: I should like to correct a statement that has been made. Some time ago Mr. Hall spoke to the Premier, as the representative of the employers of Christchurch. In trying, I presume, to make his case as strong as possible, he let his anxiety get the better of his discretion, and the statement he made was that while in America the employees in the agricultural-implement works worked ten hours a day, and worked like slaves, the employees in New Zealand worked only eight hours or eight hours and a half, and went at it in a go-as-you-please way. I think that is a direct slander on the employees of New Zealand, and I contradict it straight out. The employers who gave evidence the other day spoke of the employees in the trade in the highest terms of praise.

17. *Mr. Ell* (to Mr. Willis).] Do you think it would be a material advantage if the railway tariff were so adjusted as to enable the locally-manufactured article to be carried at considerably reduced rates as against the imported article?—I certainly think it would be a very great advantage indeed, but I do not think it would be a sufficient advantage.

18. I am not suggesting that?—I think it would be an assistance, certainly.

19. *Mr. Taylor.*] Does the deputation cordially indorse the suggestion made here recently by Messrs. Beaven and Trolve, that there should be a sliding-scale tariff?—Yes.

20. *The Chairman.*] You are unanimous upon that point?—We are quite prepared to accept that.

21. *Mr. Taylor.*] That is, if the arrangement were accompanied by substantial guarantees from the manufacturers?—Yes.

22. *Mr. Tanner.*] What do you understand by a sliding-scale tariff?

Mr. Mitchell: I understand that the proposal made by the employers is practically as follows: If the Parliament of this country is prepared to impose a sufficient tariff against the importation of American machinery, the employers are quite prepared, as a safeguard to the farmers, that the employers will not exploit them by forming a local combine to have a clause embodied in any enactment that may be placed upon the statute-book, to work on something like these lines: they are willing to hand to the Collector of Customs their present catalogues as the basis of their present retail values, and if from any cause over which they have no control they raise the prices of their machines a proportionate amount of the tariff—four times the amount, I understand—is to be taken off, and so leave the door so much more open. The arrangement would also operate in the opposite direction, so that, if by reason of increased production they found they could manufacture cheaper and so sell cheaper, they would ask that a corresponding increase be made in the Customs tariff. It would be an automatic arrangement, so that there need be no trouble.

23. *Mr. Hardy* (to Mr. Mitchell).] Is the advantage which the manufacturers now have over

the trust, in the way of carriage, importers' charges, and importers' profits, not sufficient protection for the workers, provided the manufacturers get the raw material in free?—No, sir; I think we can very safely say No to that question. The cost of bringing a fifteen-coulter drill—that is, what we call an average-sized drill—from the headquarters of the trust in America to any distributing centre in New Zealand is—within one or two shillings—£2 5s., while the amount that our employers pay on a fifteen-coulter drill from Lyttelton to New Plymouth is £4 4s., so that the matter of distance is no safeguard.

24. Take ordinary agricultural implements: how much per cent. does it cost to import them from America, do you think?—Those are figures that I have not got exactly. I could get the information in half an hour.

25. Including all charges, do you think it could be set down at less than 25 per cent.?—I am not in a position to say definitely what the figures are.

26. How much duty would you want put on the implements to enable you to compete against any imported machinery?—We have gone into the question, and we reckon that about 40 per cent. is as little as would enable us to successfully compete with the trust under present conditions.

27. The bootmakers manage to do with 22½, I understand: would you require more than they do?—Yes.

The Chairman: They have 33½ per cent. on foreign boots.

28. *Mr. Hardy.*] Would you require, then, more than the bootmakers do in order to enable you to compete?—Yes. We consider that about 40 per cent. is what is necessary to place us on an equal footing with the wares of the Harvester Trust.

29. Do you think the imposition of this duty would increase the price of the machines to the farmer?—No; we think it would decrease it, because it would enable us to put in more plant on account of the increased demand and so make production cheaper, and the logical conclusion of that is a lower retail price. As an implement-maker I say that if we could have an absolute guarantee that our output of drills next year would be double what it is this year, we could produce those machines 10 per cent. cheaper than we are doing at the present time.

30. The company that you represent sells us the Southland drill?—Yes.

31. And the price of that is about £40?—About £45.

32. You think your company will be able to reduce the price of that provided the other machines are kept out?—Yes, I think so, and the employers have already given an assurance that in their opinion that could be done. As works-foreman I can quite indorse the view taken by the manufacturers that that could be done.

33. If it is considered advisable for the House of Representatives to protect you by a duty, would you object to the imposition of ½d. on the 4 lb. loaf in order to enable the farmer to get more for his wheat?—Personally, I would not; but I could not pledge the workers as to that.

34. *Mr. Laurenson* (to *Mr. Willis*).] You stated that reapers-and-binders which sell here at £25 sell in America at \$250—practically £50. Is that the retail price?—That is the retail price.

35. Could you give us any information as to the retail price which farmers have to pay for agricultural implements in America where the trust has complete control, as against the retail price here, where there is competition?—The only information I have here is what is contained in this report, which I read.

36. The only information you have is that in the one case of which you know, a machine that sells here at £25 sells in America at £50?—That is so. There is the other case of a harvester which is sold in Australia for £80, and in the Argentine for £140.

37. (To *Mr. Mitchell*): You said that prior to the advent of the Trust into New Zealand the Deering binder was sold to the farmers at £35?—Yes.

38. And that since the advent of the trust, when they have had complete control of that article through its not being manufactured locally, they have raised the price to £40?—Yes.

39. You said something about the Plano binder?—Yes; that is another binder that is now controlled by the trust. We sold it last year at a price as low as £28—from £28 to £33. That machine is now controlled by the trust, and is going, I understand, to be withdrawn from the local market. It is their intention, I understand, to handle only two machines instead of five.

40. (To *Mr. Barr*). You spoke of the hours worked in America. What are the hours of the men engaged, say, in agricultural-machinery works in America?—The average throughout America is nine hours a day. There are parts of America where they work about ten hours.

41. What wages do the artisans employed in those works get in America, roughly speaking, as against those paid to other artisans?—Taking it on the average there it not a great deal of difference.

42. They get about the same pay?—Yes; but there are places where you could point out underpaid shops, just as you will find underpaid shops anywhere, at which the wages are starvation wages. The Massey-Harris Company, for instance, were always notorious for paying starvation wages. I have seen wages as low as £1 8s a week—that is a starvation wage for America. Taking it all over, there is not much difference between the wages paid there and those paid here. But the system is entirely different. There is no practical artisan there; they are simply machinists.

43. *Mr. Hardy* asked if it were true that the bootmakers had to be content with a duty of 22½ per cent., whereas the duty asked now for the agricultural-implement people is 40 per cent. Can you tell us in what condition the boot trade in New Zealand now is—is it flourishing or languishing?—It is fairly flourishing, I take it, in the meantime—that is, in Christchurch; I can only speak of it there. A federation was formed some time ago, and I find from that that in other parts of the colony the trade is not all that could be wished. There is such a large importation of boots into the colony that they consider that if the duties were increased they would all be employed in all parts of the colony, and it would be beneficial to the colony. They are not satisfied with the present duty.

44. Is it a fact or is it not a fact that the bootmakers are the poorest-paid class of artisans in the colony?—I would not like to say that.

45. *Mr. Bedford* (to *Mr. Willis*).] I think you said that the preferential tariff had operated injuriously to the local manufacturers of agricultural implements. Is that to any extent?—I was simply quoting them from a report.

46. Do you know to what extent it has operated injuriously?—I could not answer the question. Perhaps *Mr. Charters* could.

(To *Mr. Charters*): Has it been anything serious?—I can only say, as chairman of the joint committee, that I took all this evidence, and the reference to the preferential tariff in the report is in connection with certain raw material which comes in free otherwise, but coming from America it is subject to the preferential tariff of 10 per cent.

48. Is there much stuff imported from America?—A good deal.

49. You still have to import the raw material?—Yes. With regard to boots, I would like to say that the comparison between the boot trade and the agricultural-implement trade is hardly fair, because the raw material required in the boot and shoe trade is found in the colony, and the rest of the stuff used in the manufacture of boots, such as grindery, is imported duty-free.

50. (To *Mr. Mitchell*): In view of the methods that this trust employs in crushing out competition, do you think a 40-per-cent. duty would do any good? We find a great disparity between the prices they ask for implements—for instance, they sell for £50 in America the same implement that they sell here for £25, and for £140 in the Argentine the same implement that they sell for £80 in Australia. If they seem bent on crushing out competition at any cost, do you not think they would get over the 40-per-cent. duty?—There is not the slightest doubt that we should be in a 40-per-cent. better position. We make our request as modest as possible in the hope that Parliament will see just exactly what we want and grant us concessions accordingly.

51. Do you think it would keep them out at all?—Well, where they secure a tremendous advantage over us is in the extent and nature of their selling organization. It is competent for them to sell six times as much as the local manufacturers can, and if they could be taxed so as to make it impossible for them to keep the selling-staff on the road that they have at present, we feel that our representatives would have a better chance of doing business. If the customer were not pestered day in and day out by the trust's representatives, we feel that would be going a very long way towards attaining the object we have in view.

52. You think the trust are in the habit of selling at less than cost-price?—Their object is not so much to sell under cost-price in the meantime as to sell on long terms, which is practically the same thing.

53. Are there any implements of importance, apart from drills, that the trust brings on to the market and competes with you with?—Yes, there are a great many. We have them specified. There are ploughs, hoes, axes, shovels, spades, harrows, cultivators, wagons, rakes, engines, threshing-machines, mowers, reapers, drills, ropes, binder-twines, harness; there are various machines.

54. *Mr. Alison* (to *Mr. Barr*).] I understood you to say that the imposition of a tariff would only be a palliative?—Yes.

55. And that legislation must be introduced to prevent trusts getting any footing in the colony?—That is so.

56. Does your Council recommend that legislation should be introduced by which all goods supplied by the Harvester Trust shall be manufactured in the colony?—If at all possible. The platform of the Trades and Labour Council is that the manufacture of all goods should be nationalised.

57. That would mean that neither the trust nor any other manufacturing firm outside the colony should be allowed to import similar goods to those which you refer to: is that not so?—I do not altogether follow you. We want to make it perfectly clear that although our platform is the nationalising of the manufacturers of this colony—the necessities in particular—we recognise the fact that there is no hope of getting that in the immediate future—that that is in the dim and distant future—and in the meantime we must take as strong measures as we possibly can to serve the interests of the employees and workers here—in fact, of the people generally. That is the reason why we recognise the fact that a tariff is not a thing for all time. I wish to make this clear, so that when we ask for something else we shall not have it thrown in our teeth that we asked for this tariff.

58. *The Chairman*.] I presume you are now speaking as an individual and not as a member of the deputation?—I am speaking as the representative of the Trades and Labour Council.

59. The deputation, I understand, ask for a 40-per-cent. duty on the American importations?—Yes; we also ask for that.

60. That is the request of the deputation?—Yes.

Mr. Alison.] What you advocate then is the imposition of a 40-per-cent. duty upon all agricultural implements, is it not?—Imported implements—American, mark you.

62. American only?—Yes.

Mr. Willis: We do not ask for any duty if similar articles are not manufactured here.

63. *Mr. Alison* (to *Mr. Barr*).] You ask that 40 per cent. be imposed on all agricultural implements imported from America which can be manufactured in this colony, or which are being manufactured in the colony?—Which are being manufactured in the colony.

64. And if the same goods are manufactured in Great Britain, you ask that a duty shall be imposed upon those also, to the same extent?—That has not been dealt with. We have not dealt with the Old Country up to the present. We are only dealing specifically with America.

65. *Mr. Tanner*.] With the United States only?—By "America" we mean the continent of America—wherever the trust has a hold on the American continent.

66. *Mr Alison.*] Assuming that the goods which the Harvester Trust or any other American trust can supply to the colony could be supplied or were being supplied from England at the same price, would you then say the same duty should be placed on the English-manufactured goods?—We will leave that till the occasion occurs.

67. You are not prepared to offer an opinion with regard to that question?—Not at the present moment.

68. Since this Harvester Trust has been formed, have the prices of agricultural implements sold in this colony—that is, the prices all round—been reduced or increased?—I think that either Mr. Willis or Mr. Mitchell would be better able to answer your questions about the prices of the implements than I am.

69. Are you aware that a number of industries in this colony are seriously falling off because of the labour conditions in New Zealand being so much more liberal than those in the leading countries?—I am not aware so. That is information to me.

70. If that is so, would you suggest that there should be a higher protective duty placed upon the imported manufactured goods?—I would not be prepared to suggest any course until I found out that it was as you state.

71. But assuming that that were so?—I say I consider it unwise on my part to assume anything in the meantime.

72. (To Mr. Mitchell). Since the trust has been formed have the prices of agricultural implements been increased or reduced?—As I have indicated already, since implements have come under the control of the trust they have advanced slightly in price—for instance, there is one that one firm was handling, the Deering reaper-and-binder. That sold last year at £35, but notice has been received that it must be sold for £40 as from the 1st October. That is one instance where the control of the machine has passed into the hands of the trust.

73. Have the goods generally which the local manufacturers are competing with been increased in price since the trust was formed?—No. Of course, our contention is that it is the policy of the trust to, in the beginning, reduce prices so as to capture the trade, and then, when they crush opposition, they set about recouping themselves. That has been our experience of the methods of the trust in other countries.

74. Has the trust reduced prices since it commenced operations in New Zealand?—The trust now sell at slightly lower prices than the local manufacturers can, and, in addition to that, they give terms up to four years.

75. Since the trust was formed have the prices of agricultural implements supplied by it been reduced or increased, as against those locally manufactured?—You refer to the prices of implements handled by the trust?

76. Yes?—The prices of implements handled by the trust have slightly receded.

77. What implements are manufactured locally which the Harvester Trust can compete with?—We have drills, disc harrows, cultivators, ploughs, harrows of all kinds, and several other smaller lines.

78. *The Right Hon. R. J. Seddon.*] I do not think the witness quite catches your meaning, Mr. Alison. (To witness): What farming implements are made in the colony that the trust supplies?—We manufacture ploughs, harrows, cultivators, wagons, threshing-machines, drills, binder-twine, and harness, of the articles enumerated in the trust's list; and, in addition to those in their list, we manufacture sundry machines which are special to New Zealand, such as burrow-drills, disc ridgers, and many machines of that class, in addition to drays, wagons, Cambridge rollers, and other machines of very bulky proportions, which, on account of their selling-price and the space that they take up, are not largely imported or dealt in by the Harvester Trust at the present time.

79. *Mr. Alison.*] Can you tell the Committee the prices charged by the Harvester Trust for the articles which they supply and which are manufactured in New Zealand, as against those charged by the local manufacturers?—No, sir; I cannot answer that question just at the moment.

80. Can any of those who accompany you?—I doubt whether they can.

81. Then, do you say that if a 40-per-cent. duty is imposed upon all agricultural implements, or implements which are imported from America, the local manufacturer can compete successfully with the American manufacturer?—We believe he can.

82. Do you suggest there should be any increased duty placed upon English-manufactured goods?—No. The employers have a proposal, we understand, that half the duty should be levied against England, but our concern at the present time is directly with the operations of the Harvester Trust. English competition or any other competition we have up to the present time been able to battle against; it is against the competition of the trust that we seek protection.

83. Can you tell the Committee how many workers are employed throughout the whole colony in the manufacture of the goods on which you are asking for the imposition of a 40-per-cent. duty?—Well, there are between five and six hundred hands engaged in the manufacture of agricultural implements alone in Christchurch; but as to the other articles, such as binder-twine or harness, I have not a record of the number. Our contention in this connection is that the list of articles they publish is so comprehensive that it practically touches every department of industry.

84. It has been stated by one of the witnesses that the workers employed in the manufacture of agricultural implements in America work nine hours a day. Do you know the number of hours they work per week?—That is the daily average. As we consider ours an eight-hour day, we speak of theirs as a nine-hour day. Mr. Barr spoke about the hours.

85. (To Mr. Barr): You say that the artisans employed in the manufacture of implements in America work nine hours a day. What hours per week do they work?—An average of fifty-four or fifty-five—say, fifty-five.

86. How many hours do the workers in this colony similarly employed work?—Forty-seven. I may point out that the American has no Saturday half-holiday.

87. *Mr. Kirkbride.*] I would like to be quite clear as to what the proposal of this gentleman (Mr. Willis) is. (To Mr. Willis): I understood you to say that you are here to ask that a 40-per-cent. duty be levied on American implements?—On American implements and machinery, providing that similar machines and implements are at present made in the colony.

88. *Sir W. R. Russell.*] At present?—At present made in the colony. That is the proposal. I said that we did not ask for any duty on any American implements or machinery that are not made in the colony at present.

89. *Mr. Kirkbride.*] A great deal has been said about the prices charged for harvesters in America and the Argentine and those charged in Australia and New Zealand. (To Mr. Mitchell): Are there any harvesters or binders manufactured in New Zealand?—No, not now.

90. Are there any mowers?—There are no harvesting-machines of that nature at all manufactured in New Zealand. It is not intended to ask for any duty on these lines, nor, I may say, on the English binder—the Hornsby.

91. It is not intended to ask for any duty on reapers-and-binders or mowers?—No.

92. You said that the Deering machine was sold for £35 in New Zealand before the Harvester Trust commenced operations here, and now it is sold for £40—that the price has been raised?—That is so. While the machine was handled by the local agents it was sold for £35. This year, since the establishment of the trust's headquarters for New Zealand at Christchurch, it has resumed control of four binders. The Deering has come under their control, and the agent handling it for the trust has received notice that the price is to be £40.

93. Might we not fairly attribute that to the cutting that went on before between the different American firms, and take it that the machine was really sold below what was a legitimate price in New Zealand?—That extract that I read gives the price, taken from sworn evidence, as to the cost to the American manufacturer of the machine, which, in our opinion, leaves room for a fair profit.

94. Do you happen to know whether the old firm of Reid and Gray, when they manufactured reapers-and-binders, sold the machines to the farmers any cheaper than those imported?—That question I cannot answer.

Mr. Uttley: I might say that, in the course of conversation with Mr. Gray, he told me that the reason why they had ceased manufacturing these articles was that they could not compete with the imported implements with the duty on at that time. There is another question I would like to answer. You asked Mr. Mitchell about the selling-price of the Deering machine. I was assured by a manufacturer whose firm had the agency that they were selling the machines at £35, and they were quite satisfied with the profit they were making. Towards the commencement of last month they received notice that from the 1st October the agency for those machines would be taken away from them as far as Dunedin and Christchurch were concerned, but that they could hold the sub-agencies in the meantime, and they were to sell no machines which they were selling at £35 for less than £40 as from the 1st October.

95. *Mr. Kirkbride* (to Mr. Uttley).] In what trade or profession are you?—I am a carpenter.

96. You say that you had it from a firm that they made just as much profit when they sold the Deering at £35 as they would when they sold it at £40?—No; when they sold the Deering at £35 they were selling it at a profit with which they were satisfied.

97. (To Mr. Willis): You say that the manufacturers will guarantee that if they are protected to the extent proposed they will not raise the price of implements to the farmer?—That is so.

98. Have we any guarantee that if this protection were granted the workers would not after this ask for a higher rate of wages, and so increase the cost of the implements?—That would increase the cost to the manufacturers. That question was put to the manufacturers, and they said they would have to submit to such occurrences and take their chances.

99. Then, we can have no guarantee that that will not occur?—The only guarantee you can have is the integrity of the employers of agricultural-implement workers.

100. *Right Hon. R. J. Seddon.*] You say it would all depend upon the integrity of the employers and of the workers. It could be put beyond that, could it not, if we passed an Act and fixed the maximum price that should be charged, and said that if the manufacturers raised the price instead of the duty being 40 per cent. on the imported articles it should come down to 20 per cent.?—That is so. That has been explained.

101. Then, it is not necessary for the Legislature or the consumers to depend entirely upon the integrity of the manufacturers if they can regulate it by legislation?—That is so, providing that suggestion of theirs is adopted.

102. Can you give us the number of men employed in the manufacture of the articles that were enumerated by Mr. Mitchell as being manufactured in the colony?—No.

103. Can you get that information for the Committee within twenty-four or forty-eight hours?—Yes.

104. Could you get information as to the amount of capital that is invested in the buildings and the machinery where these employees are working?—That could also be obtained.

105. You have the number of men employed in Christchurch in the manufacture of these articles?—It has not been given definitely. It is about six hundred.

Right Hon. R. J. Seddon: You might give us the amount of capital that is invested in implements, machinery, and buildings in Christchurch.

Mr. Mitchell: We could get that information also by wiring. I may say in that connection that we understood Mr. Beaven had already imparted those particulars, and that it would not be necessary for us to give them. But if it is necessary we can get them.

Mr. Alison: I would suggest that we should also have a statement showing the prices of the several locally manufactured implements and the prices charged by the trust.

Right Hon. R. J. Seddon: Yes. Then, we ought to have the output last year of the articles that were manufactured in the colony. Then, we want to have the price that each of these articles was sold for last year. We want also to find out what implements and articles have been dropped already through the operations of the trust. Then, the Deering machine was sold at £35, but is now £40. We want to know how many of these machines were sold last year at £35, and what the difference will be to the farmers on account of the increase of £5 per machine. We want to see the effect of the five-pound rise upon the farmers.

The Chairman: I think this is the best plan: if Messrs. Mitchell and Willis will secure this information I will call a meeting of the Committee for Monday or Tuesday. The remainder of the witnesses can return to their homes, but these two gentlemen can remain and be present at the meeting.

106. *Mr. Kirkbride* (to Mr. Mitchell).] Do you know whether the Massey-Harris Company have joined the Harvester Trust? Are they included in it?—We have no definite information on that point. The only thing we can do is to arrive at conclusions from the attitude of the manager of the Massey-Harris Company when giving evidence before the Royal Commission set up in Victoria. His answers were not such as to leave the impression that they were not under the sway of the trust. He would not make any definite statement on the point. He would not definitely state that they were not under the control of the trust when pressed to answer the question. The inference is that they are at least associated with the trust.

107. (To Mr. Barr): I understood you to say that you looked upon the imposition of this duty of 40 per cent. as a temporary arrangement—a palliative—and that you and those with you really intend to ask for the nationalising of the manufacture of all these implements. Am I not right?—There is a probability that that might occur.

108. I understood you to say that that was what you were working up to. You said it would probably be in the dim and distant future, but I understood you to say that in effect this was a stepping-stone?—I said that that might be asked for in the future—in the dim and distant future—but that in the meantime we could only deal with what happened meanwhile, and that this duty is what is wanted.

109. You look on the nationalising of the manufacture of these implements as a goal to be aimed at?—Yes.

110. Are the employers with you in this idea of nationalising?—When we have got past this step and go on to the next perhaps the employers might see further than they do at present.

111. I think you also said that the home market was the best market. Did I understand you to say that as applying to farm-produce?—It has always proved so, as far as my experience goes.

112. What would be the condition of the farmer if he had to depend on the home market in New Zealand?—It depends on the extent of the home market. If the farmers encouraged the trades in the colony it would naturally increase the home market.

113. You would not like to say that the home market—that is, the New Zealand market—could possibly consume all the farmers' produce?—Not at the present time; but to encourage the home market would always be to the advantage of the farmer.

114. (To Mr. Mitchell): Are there many American double-furrow ploughs imported into this colony at the present time?—There are a number; but American double-furrow ploughs are invariably made with cast legs, and are admittedly not so suitable to New Zealand requirements as the heavy forged ploughs supplied by the New Zealand manufacturers. One local manufacturer specialised a disc harrow; but it has been taken to America and manufactured there, and actually landed in New Zealand duty-free to compete with the local article. Were it not for some slight difference in the painting you could not tell one implement from the other.

115. Did I understand you to say that the total output of drills manufactured in the colony was forty-three?—That was for one month—the busiest month—as against fifty of the trust drills sent to one station alone.

116. How do the prices of the locally-manufactured drills compare with those of the American drills?—The American drill, I understand, is slightly cheaper; and, of course, the trust's four-years terms make the business they do more extensive.

Mr. Laurensen: I would like to suggest that when Mr. Mitchell is getting together the statistical information he might, if he can, get any further information following on what was said by Mr. Willis as to the retail price of agricultural implements to the farmers in America, where the trust has complete control, compared with the retail price of similar implements in New Zealand, where the trust has not got control.

117. *Sir W. R. Russell* (to Mr. Willis).] I should like a little more information about the guarantee of the manufacturers. I do not quite understand how it can be of any commercial value. Can you tell us what is to be the nature of it?—I understand the manufacturers are prepared to enter into a legal bond.

118. But one knows that circumstances may prevent one carrying out a legal bond?—That is so. They are prepared to risk those circumstances.

119. If they give a bond and matters prove adverse to them, how is the country going to recoup itself for their failure to carry out their bond?—You would simply have to retaliate, I presume, by removing the duty.

120. Who are the manufacturers that would join in this bond?—Messrs. P. and D. Duncan, Andrews and Beaven, Reid and Gray, Cooper and Duncan, and Booth, McDonald, and Co., and, in fact, every manufacturer in New Zealand.

121. Then, suppose that the day after the bond is signed two or three other gentlemen combine together to start another factory, what is to prevent them?—Nothing.

122. They cannot be compelled to join in that bond?—Certainly not.

123. Then, would you imagine that commercially the bond would be of much value?—I do.

Mr. Mitchell: Might I be permitted to supplement the remarks of Mr. Willis in this connection. In company with Mr. Beaven and Mr. Trolove I was present in Wellington last week when this subject was discussed with members, and I am conversant with the details of the scheme; and I may say that the manufacturers are agreed that there should be embodied in any legislation that is passed a proviso stipulating that in the event of the prices having to be advanced through any circumstances over which they have no control the duty would automatically come off the goods on which the prices were increased. So the bond would be binding to this extent, that the price of a machine could not go up without a fourfold decrease in the amount of duty protecting that machine; and, on the other hand, if by reason of increased output the manufacturers found it possible to reduce prices, they would ask that the duty be increased proportionately. This arrangement would act automatically through the Collector of Customs, the present price-lists to be the basis on which to assess the selling-price.

TUESDAY, 17TH OCTOBER, 1905.

FRANK COOPER, Manager of Messrs. Cooper and Duncan (Limited), Agricultural-implement Makers, Christchurch, examined. (No. 7.)

1. *The Chairman.*] You appear to give evidence in connection with this Harvester Trust business?—Yes.

2. Will you please make your statement in your own way?—Mr. Chairman and gentlemen, the subject we are here to place before you is the colony's agricultural-implement-making industry, and we feel certain that to those engaged in agricultural pursuits the matter is at the present time of most vital importance. Though we have full knowledge of the inconvenience that our bringing this matter forward at this late period of the session must cause the Legislature, we cannot but see that urgency is the only way to save the situation, and that is our excuse for so pressing the matter upon your attention now, and we ask your consideration under the circumstances. In introducing this matter of the agricultural-implement industry, and the possible effect on it through the threatened inroads of the International Harvester Trust, it is necessary, in order to give a clear view of the position, to revert back to the statistics of past years. The agricultural-implement industry, like the pursuit of agriculture, was commenced in the early days of the colony, at a time when we believe there was a protective tariff on implements. The pioneers of the industry, however, were further protected by heavy inward freights, and the special requirements of the colony necessitating special machines; further, the demand being limited, the field was then not attractive to foreign makers. These industrial pioneers, unlike a large number of pioneer agriculturists, failed to become wealthy men, which fact goes to prove that the manufacturing business has never been a very profitable one, or that it has never been abused. The (from a national standpoint) regrettable feature is, as shown by statistics, that despite the enormous extent of country brought into cultivation of late years, the industry, closely allied to agriculture, has unfortunately remained stationary. In support of this statement we purpose putting in an exhibit marked A, the figures of which will show that the increase in acreage brought under cultivation during the ten years from 1891 to 1901 was 3,756,763, the increase in imports of agricultural machinery £96,221, whilst the increase in the number of factories was nil, and in the number of hands employed fifty-eight only. This deplorable state of affairs cannot be attributed to lack of inventive ability on the part of those engaged in the industry, as it is readily admitted by those farmers who have up to now failed to support us in this movement, and those practical farmers who have travelled other countries, that the agricultural implements which New Zealand has produced are without question amongst the best in the world, and without doubt the best in the world for New Zealand's requirements. Notwithstanding this, however, we can emphatically assert that thousands of pounds are spent annually by New Zealand farmers on foreign implements that are quite unsuitable for their requirements. The question may be asked, How is this to be accounted for? Well, gentlemen, it is accounted for by the fact that the rapid increase in acreage brought into cultivation by such factors as the development of the frozen-meat industry, the opening-up of fresh country, and the Government land policy was so marked that it immediately attracted the American manufacturers, who, with an open door for their products, seized upon the opportunity and fixed their prices a little below those of the local makers. This, as their products were of a more flimsy construction, left a margin for the employment of an army of canvassers; whereas the local makers, not having a margin to permit of employing canvassers, the benefits from the results of the Government policy—a policy which, we might point out, we have borne our proportion of taxation to help carry out—became lost to us. I have pointed out that the colonial industry has remained stationary. This fact has a worse meaning than appears, for it has taken all the natural increase in the demand for those machines or implements that the Americans do not touch to keep the trade at that point. In 1891, 528 hands were employed in making *all* the farmers' requirements—and, like most manufacturing businesses, we have good and bad paying lines—while in 1901 there were but 586 hands, or fifty-eight more, engaged in making those lines which are not good enough for the Americans. The American has thus secured all the new and a considerable part of the old trade in the good paying lines, and the colonials have had his leavings. The colonial manufacturer has been proud to state that he has carried on his business on free-trade lines, but he is undoubtedly sore at having to pay duty on raw material, which, if manufactured into implements, would come in free. If conditions had remained the same he would no doubt have remained content. We think you will agree that the statistics quoted fully prove that the industry has been loaded with just as much as it could carry, and you will understand then, that any innovation of a detrimental character will quickly turn the balance. This innovation is here now in the shape of the International Harvester Company of America. It is true that this company are handling practically

the same machines that have been instrumental in absorbing the increased demand for implements since 1891, but the difference is that in the past these machines have been purchased by New Zealand merchants, who have played the game fairly so far. Now, however, the trust company has set about consolidating the several American competing machines by taking them out of New Zealanders' hands, and have introduced further implements in special competition with the New Zealand machines, so we have something further to look for. What this something will be we can only gather from the trust's workings in other countries. What these tactics are will be shown by exhibits B and C—extracts from papers, &c. A further menace is the knowledge of the constitution of this trust, and of the fact that the head of it is the head of another trust operating in New Zealand—namely, the Standard Oil Trust—the workings of which we are conversant with, and are prepared to place before you if required. We are not so conversant with the Tobacco Trust operating in New Zealand, owing to the fact that their operations are such as to be a menace to those affected, they being absolutely afraid out of consideration for the after-effects to reveal anything. We know, however, that your Parliament's actions in connection with this trust have been successful so far in nullifying its worst efforts, and we are looking for like results with regard to the Harvester Trust.

3. *Mr. Aitken.*] What has Parliament done to nullify the efforts of the Tobacco Trust?—I do not know. That is what I was told. I suppose the matter came before Parliament. It is this knowledge, gentlemen, that brings us to you for relief at this period. We ask you to realise the harm an American trust company can do, with a capital of £24,000,000 sterling, and the reported control of further extensive capital by means of which to effect a corner in agricultural implements, and with a monopoly in its own highly protected country, where the trust's profits are just as much as it likes to make them, for the price of implements there is fixed by the trust, as the price of kerosene in New Zealand is fixed by another trust, which to-morrow could say that our kerosene would be any amount per gallon more, and we, the people of free New Zealand, would have to pay. That American millionaires do not invest in manufacturing businesses foreign to them unless to secure a corner is apparent to all; and as to secure that corner in the agricultural-implement business they have to ruin us, because we stand in the way; what we see ahead of us, unless there is some interference from you, and what the farmer can look for, is illustrated by the position with regard to kerosene. You will probably want to know what the trust has done so far, and what it has done in America and Australia. Exhibits B and C will show this, also Exhibit D—the statement of an American farmer who is at present in New Zealand. The actual detrimental effect in New Zealand so far is indefinite. We could only get this by keeping quiet and waiting; but we had the object-lesson of those opposing the trust in America who kept quiet and waited and are now no more, as our reason for not doing likewise. The passive detrimental effect of the trust's operations in New Zealand lies in their presence here, in view of their history, being a menace to the extent of prohibiting us carrying on our business as we should, for them to be profitable. A menace that is having effect, and which probably is the one most likely to be adopted by the trust for our undoing after the exposures made public by this agitation, is the breaking-down of our trade by the sheer force of their enormous capital, applied through an extensive canvassing staff, so extensive that without the possible result of effecting a corner it could not pay any business concern. In addition to Exhibits A, B, C, and D referred to as showing trust methods elsewhere, we produce the following statements: Exhibit E, comparison of American and colonial prices in New Zealand; Exhibit F, comparison of English and colonial prices; G, table showing (1) capital invested in industry, (2) output of factories, (3) wages paid, (4) hands employed, (5) dependants upon employees; H, table showing the trend of prices of reapers-and-binders whilst handled by agents and by the trust, there being no colonial competition in these; I, proposed method of imposition of duty to meet the position; J, list of manufactures dropped. We hope and anticipate that after perusing these you will agree that our proposals cannot but be of benefit to every one concerned, excepting, of course, the foreign suppliers, and ourselves; but not in comparison with what we might expect otherwise. We ask you to carefully consider the position of the colonial trade from 1891 to 1901, as illustrated by Exhibit A. You will see that the colonial manufacturers have had for years to carry as large a load as it was possible for them to bear, and you will recognise also the certainty that any hesitation in giving relief will be fatal to the industry, the large number of electors directly and indirectly interested being sacrificed solely for the further enrichment of Americans reported to be already multi-millionaires. This is not a matter of free-trade *versus* protection, or town *versus* country, or Government *versus* Opposition: it is a matter of the life or death of an industry established in the colony against long odds, and carried on against long odds, and one which another ounce or further disability will turn the scale to the extent of extinction; whilst on the other hand, suitable legislation will establish confidence among a large number of workers, farmers, and employers immediately interested, and among the general public, who never know the time when another American trust, such as the Beef Trust, will commence operations in New Zealand. I hand in two of the statements that I have referred to [produced]. Each of us has some of the statements so as to keep from overlapping in our remarks.

4. *Mr. Aitken.*] Would it not be well to read one or two parts of the statements which we can remember, because the exhibits will not be printed in time for perusal by the Committee before it deliberates?—Very well. The most important is a repetition of what I stated. From 1891 to 1901 the increase in the value of implements imported was £96,221, and the acreage under cultivation increased by 3,756,763 acres, while the number of hands employed increased by only fifty-eight. The agricultural-implement-manufacturing business was the only industry employing over 500 hands that remained practically stationary from 1891 to 1901. The other statement is simply a comparison of the American price-list with the colonial price-list, and I do not know whether reading it would be very much good. I may say that we had difficulty in getting hold of

the trust price-list. All I have got here is the Osborne list for 1905—before the Osborne Company went into the trust—compared with Cooper and Duncan's list, which is approximately the same as all the others. I have shown the similar machines in two tables here.

5. Do you show the cost-price landed here, or the price in America?—The price that I have shown in both is the retail price in this colony. On the other side of the statement I have given Massey-Harris prices, but I could only get a 1903 list. Alongside that I put a Cooper and Duncan 1903 list. That is all the information on the point that it has been possible to get, in compliance with your request, up till now.

PETER TROLOVE, Managing Director, Messrs. Booth, Macdonald, and Co., Christchurch, made a statement. (No. 8.)

Witness: Exhibit H, which I hold in my hand, shows the prices charged by the trust compared with prices ruling before it commenced operations. The most important item shown in the exhibit is with reference to the Australian harvester. The price in Australia, where there is competition, is £85, and in the Argentine, where there is no competition, it is £140. This, I may say, is a machine that was made in Australia—you might say it was evolved in Australia; but the Americans came along, pirated this machine, brought it back to Australia, and are selling it in competition with the original inventors. I think that is an unfair position. In the Argentine, as I say, they are getting £140 for it, as against £85 in Australia where there is competition, so we think we can look for the same sort of treatment here. The price of binders in America, according to Mr. Miller, the American farmer, who is at the present time in New Zealand, was \$100 before the trust was formed, while after it had been at work for some time the price was from \$130 to \$140. [Exhibit handed in.] This Exhibit I is, I think, the most important one of the lot, because in it is embodied the reductions that we are prepared to make to the farmer and our proposals. You have heard about the proposal we make with regard to duty—the ratio of 1 to 4. We ask “(1) For no duty upon harvesting machinery, hay-making machinery, traction or oil engines, dairy machinery, or on other machinery not at present being manufactured in the colony; (2) for no duty on the following articles required by small farmers, such as small ploughs under 1½ cwt., cultivators under 2 cwt., hand-drills and chaff-cutters under 9 in. mouth, these being so low in price that any duty would affect the price of them.” To show that we were in earnest in our endeavour to conserve the interests of the small farmers, I might say that when we met together we had quite a long discussion on this point—the small ploughs. Some of us could see our way to make these small ploughs if we had the duty on, but we thought we should be conserving the interests of the small farmer if we left the small ploughs under 1½ cwt. out, and the same with chaff-cutters. We could make small chaff-cutters successfully, but we have specified here that a chaff-cutter with less than a 9 in. mouth shall also be free. I think it would be well if I were to read the important parts of this schedule. We have only eight lines here that we ask for duty on—ploughs over 1½ cwt., harrows (tine and disc), drills, rollers (land and Cambridge over 7 cwt.), cultivators and grubbers over 2 cwt., chaff-cutters 9 in. mouth and over and self-bagging, and seed-cleaners. The duty is worked out in the proportion of 1 to 4 in the last column. There is another matter in which we are considering the small farmer—and the big farmer too, as far as that goes: we suggest that all implements from the United Kingdom shall be admitted duty-free. Taking the reductions set out in the schedule, on ploughs of all kinds over 1½ cwt., the list price varies from £6 5s. to £28. We have agreed to reduce these by 10s. per furrow, in which case the duty we suggest would be £2. On tine harrows the reduction agreed upon is 2s. 6d. per leaf. The price varies from £3 10s. to £11 10s. With disc harrows the price ranges from £12 to £20, and the reduction is 1s. 6d. per disc. Drills, combined grain, seed and manure, 10 coulters and over, the price varies from £35 to £52; the reduction is £3, and the duty would be £12. Drills, combined grain, seed, and manure, under 10 coulters, price from £32 to £36 10s.; reduction £1, duty £4. Grain-drills, price £26 to £37 10s.; reduction £1, duty £4. Rollers, land and Cambridge, over 7 cwt.—we do not want to hamper the trade in lawn-rollers, though we could make them quite as well—price from £15 10s. to £30 10s.; reduction £1, duty £4. Cultivators and grubbers over 2 cwt.—we do not seek to interfere with the large trade that is done by the local ironmonger in the small garden-cultivators, of which there is a large number used in the country, though we could and do make them—price £12 to £24 10s.; reduction £1, duty £4. Chaff-cutters, 9 in. mouth and over, price £8 10s. to £26; reduction 10s., duty £2. Self-bagging chaff-cutters, price £50 to £150; reduction £3, duty £12. Seed-cleaners, price £6 10s. to £30; reduction 10s., duty £2.

6. *Sir W. R. Russell.*] Do you not deal in the larger seed-cleaners?—Yes. Andrews and Beaven did make them.

7. I mean a 400 lb. or 500 lb. cleaner?—Yes. The seed-cleaner mentioned here is the small seed-cleaner. We do not ask for any duty on the larger ones. [Exhibit handed in.]

DONALD CHARLES CAMERON, Jun., representing Messrs. Reid and Gray, Dunedin, examined. (No. 9.)

8. *The Chairman.*] Will you make your statement, Mr. Cameron?—My duty this morning will be very light. All I have to do is to lay on the table some extracts from American papers which will show you how the trust is operating in America. There is no need for me to read them all to you; you can peruse them for yourselves. I have also some cuttings from Australian papers which will give you an idea of how the trust has already acted in the Commonwealth. I have here also a report of an interview with Mr. T. J. McBride, of Papanui, Christchurch, which I shall read: “Mr. T. J. McBride, of Papanui, who, before settling in New Zealand three years ago, was vice-president and general manager of the Massey-Harris Implement Company of Canada,

made a very clear and emphatic statement as to what would happen in New Zealand if the trust was allowed to have its fling. 'The American Harvester Trust,' he stated, 'will adopt such measures as it finds necessary to secure the New Zealand trade. It will strangle this trade for a surety. It now sells binders here at from £40 to £45, and the same machines are sold at from £20 to £25 in the States, so that it has got something to work on. The binder trade is only part of its business, for it manufactures a general line of farm implements and machinery, and it is now making implements for export from the best colonial patterns. Some of the local firms here—and by the way, all the implement-manufacturers in New Zealand, with the exception of Reid and Gray, of Dunedin, are in Christchurch—seem to think they will weather the storm; but those who know the working of the enormous combinations of capital, and who are aware of the facilities for cheap production possessed by the trust, know that nothing can withstand its onslaught in countries like Australia and New Zealand, where the local manufacturers have not the same facilities. The International people will be able to maintain very high prices for their goods, and yet be able to undersell the local firms.' That is Mr. McBride's evidence, and having been manager for some years of the Massey-Harris Company, he ought to know what he is talking about. Then, I have here a copy of the evidence given before the Royal Commission in Australia on the 10th April of this year, principally in connection with the Harvester Trust and the Sunshine Harvester, an Australian make of machine which, however, is now being made in America, and sold in Australia at a lower price than the locally made article. [Exhibits handed in.] This document that I have in my hand is a statement by an American farmer. We attach so much importance to it that I will read what he says about trusts. He was asked the other day in Christchurch, "How do farmers in America view the Harvester Trust?" and this is his reply: "They dislike it intensely. It follows there the methods with which you are familiar. The trust lays itself out to buy up all small businesses, and until it has succeeded in overcoming all competition it keeps prices down as low as possible; but it soon makes up for lost time, and when it has the field to itself it bumps prices up high. It is on the money-making game every time. I tell you right here, keep it out of this country if you can, for if you do not you will bitterly regret it in five years' time. I cannot repeat too strongly that it is viewed by American farmers with extreme disfavour." Some people do not attach much importance to newspaper interviews, so Mr. Cooper got a declaration to this effect from Mr. Miller: "I, J. S. Miller, of Macon, Missouri, United States, farmer, being approached by Messrs. Cooper and Duncan (Limited), hereby certify that the statements *re* the effects of the International Harvester Trust in America, and my advice as to preventing their operations in New Zealand as made in the *Truth* newspaper of the 7th October were made in all seriousness, and are entitled to the serious consideration of those in power in New Zealand. I have been unknown to Messrs. Cooper and Duncan up to the date of this." This is dated the 14th October, 1905, and is signed by Mr. Miller. [Exhibit handed in.] That is all the evidence, gentlemen, that I have to present to you this morning.

JOHN DUNCAN, Partner in P. and D. Duncan (Limited), of Christchurch, made a statement. (No. 10.)

Witness: Mr. Chairman and gentlemen,—In putting before you the proposition for the imposition of a duty on implements that we can manufacture in New Zealand, we have gone to considerable trouble to look through English catalogues and compare the prices with those that we are charging for the same class of implements manufactured in New Zealand, in order to show that the New Zealand farmer has never been unduly charged for implements as against the English farmer. We might say that we are not asking for a duty on small ploughs of under 1½ cwt., so the small farmer will not be handicapped in that way. You have a list before you of the articles on which we are asking for this duty, and I would like to read these extracts that we have taken from the English catalogues, and compare them with our own prices. These prices are those of Messrs. P. and D. Duncan, but the other manufacturers' are much the same. The comparison will show that although we have to bring the raw material thirteen thousand miles, the English farmer has to pay as much for his implements as the colonial farmer. Take Kell and Co.'s drills. They make a combined drill, 8 ft. wide, to sow all sorts of seed, at from £46 15s., delivered at Gloucester only. P. and D. Duncan make a 15-coulter drill, 8 ft. 9 in. wide, for £47. This price includes eight turnip coulters £2, one canvas cover 15s, and railage to any station on the Hurunui-Bluff section, or freight to any main port in New Zealand, the average freight or railage paid being £1 10s. Messrs. J. Smyth and Sons, of Suffolk, whose establishment is the oldest drill-factory in the world, catalogue a 15-coulter Nonpareil drill, 8 ft. wide, at £36 12s. 6d., railage paid for 100 miles from London. P. and D. Duncan's 15-coulter drill will do exactly the same work, and is sold for £35, delivered to any station on the Hurunui-Bluff section or any main port in New Zealand. With regard to double-furrow ploughs, Messrs. Ransom, Sims, and Jeffries, of Ipswich, catalogue their colonial plough marked SHD at £16 15s., the weight being 590 lb. Railage is not paid. P. and D. Duncan's R6.2 double-furrow plough weighs 728 lb., and is delivered at any station on the Hurunui-Bluff section or at any main port, for £18 10s. This shows that we supply a plough of 138 lb. extra weight at practically the same money. Coming to tip carts, Messrs. Barrow and Co., of Banbury, supply a two-horse cart to carry 40 cwt. at £22 2s. 6d. at Banbury. P. and D. Duncan sell a tip cart, with 2½ in. axle, for £23 15s., railage being paid to any station on the Hurunui-Bluff section. With respect to traction-wagons, Messrs. J. and H. McLaren, of Leeds, make an 8-ton wagon which they sell at £95; Messrs. Marshall, Sons, and Co., of Gainsborough, sell a 10-ton traction-wagon at £105; while Messrs. P. and D. Duncan's price for an 8-ton traction-lorry is £85. That is delivered at Christchurch Station. Messrs. McLaren and Marshalls mention in their catalogues that they supply sides and doors which they charge extra for, but the average wagon, taking wagons as we make them in the colony, is considerably higher in price in England than here. In Cambridge rollers, Messrs. Nicholson

and Sons, of Newark-on-Trent, supply an 8 ft. by 24 in. roller for £18 5s., delivered at main stations within 200 miles. P. and D. Duncan deliver an 8 ft. by 24 in. roller at main ports or any station on the Hurunui-Bluff section for £18 15s., the average railage or freight paid being £1 10s. The colonial article is three quarters heavier, and more railage and freight is paid; moreover, the raw materials are all imported—the cast iron from England and the frame timber from Australia. That is a comparison between the English and colonial implements that we are asking for a duty upon, and it shows, I think, that though we have never up to now asked for protection on any of this class of implements, and have always had the competition of the English machines against us, we have held our own; but we are afraid that if these machines are allowed to come in from America duty-free, it will be a serious handicap to us. I have a list here of the machines that manufacturers have stopped manufacturing during the last few years. As to reapers-and-binders, Reid and Gray dropped the manufacture of reapers-and-binders some years ago. A small amount of protection or assistance at that time would have insured an important industry being secured to New Zealand, whereas it is now apparently permanently extinct. With respect to drills, Messrs. Reid and Gray and Booth and Macdonald dropped the manufacture of drills and took to importing, owing to the trend of legislation offering more inducement to the importation of finished goods than of raw material. With Messrs. Cooper and Duncan, the difference in wages paid between last year and the present year—since the trust has become aggressive—is about £3,000. Booth, Macdonald, and Co.'s output will average about £10,000 per year less. With Messrs. P. and D. Duncan the difference has not been calculated yet, but we certainly think there has been a considerable difference; last year there certainly was. The exhibit (J) concludes with this statement: "The manufactures particularly jeopardized by the trust are those in schedule, which covers all that is really worth making. Other lines except those not troubled by trust would not sustain taxes, except at enormously increased cost to consumers." [Exhibits handed in.]

WILLIAM DAWE, Chief Accountant to Reid and Gray, Dunedin, made a statement. (No. 11.)

Witness: Mr. Chairman and gentlemen,—My points are mostly in connection with figures. The capital employed in Christchurch in connection with the implement industry is £151,149. The capital employed in New Zealand—the total capital for the whole colony—is £303,149. The output of the various factories is approximately £300,000, and the wages paid are approximately £84,580 per annum. The number of hands employed in factories is 928, while the number of hands and dependants—which it is very hard to get at—is 3,248—that is, reckoning the dependants to employed at $3\frac{1}{2}$ to 1. These figures are close, but they are really approximate only. Now, dealing with the capital employed, £303,000, I think I am safe in saying that that capital has barely paid 5 per cent. for some years. With this additional contingency in front of us it is necessary that something further should be done to enable us to get a fair return on the capital invested. The output of the factories, £300,000, might be considerably increased. Messrs. Reid and Gray's output last year was some £8,000 less than that of the preceding year. What it will be next year with this trust business in front of us it is hard to say. This £84,000 paid in wages is a very large sum. If the men were thrown out of employment, and that £84,000 was not to circulate in New Zealand, but was taken right away, it would be a serious thing for the colony. This money circulates throughout all classes of trades, and I think it is very necessary that something should be done, and that immediately, to foster this industry. The number of hands affected is certainly nearly a thousand.

9. *Right Hon. R. J. Seddon.*] That £84,000 is simply wages paid?—Wages and salaries.

10. What about the material that you use?—I have not taken any note of that. We always carry fifty thousand pounds' worth of stock ourselves. We are always importing, from all places. What we really ask is that something be done and done at once, because if it is not done shortly it means that the country will be flooded with the American and Canadian manufactures. Canada is really the place where they manufacture the goods. Chicago was the place, but they stepped over the border and now manufacture in Canada, and therefore say that they manufacture under the British flag. Of course, the Canadian door is shut to us. The position now is that we have made an offer to reduce the prices of our goods so that the farming community can have no just reason for saying that we would increase our prices, and we ask that you will put on a duty of four times the amount that we take off—that is, if we take £4 off the price of a machine, we ask that you will put a duty of £16 on that machine; if we reduce the price by £5, we ask that you will put £20 on. That means that the farmers are going to benefit in every direction. There are a great many lines that could come in free; what we manufacture here is all that we want protected. As to the total importations of raw material, I have not got that information, but I can supply it if necessary. I think, however, that these figures are very considerable, and warrant your consideration. I lay the exhibit on the table. [Exhibit handed in.]

THOMAS DANKS examined. (No. 12.)

11. *The Chairman.*] What are you?—A manufacturer of windmills, spray-pumps, and small machinery generally.

12. In Christchurch?—Yes.

13. You wish to give evidence with regard to this special line of machinery?—Yes. Seeing last Saturday morning that evidence was to be taken regarding agricultural implements and such-like manufactures, I at once wrote to you and said that I would like to give evidence respecting the manufactures in which I am engaged. Windmills are allowed to come in duty-free for the farmers. Spray-pumps are as necessary to the production of a crop now, almost, as the plough, and they are allowed to come in duty-free. I desire that the Committee should recommend that the raw material for the manufacture of these articles should be put on the free-list also. As the

article itself comes in free, it would appear reasonable that the material should come in free too. Though there may be some overlapping and the material be used perhaps for a purpose other than that for which it was intended, still the Customs could have power to ask for a declaration that the material would be used for the manufacture of that article only. Seeing that this is already the law with respect to some commodities, it should apply to these, and as long as we gave a declaration that the material was imported for these specific lines we should get it in free. Then, there are other lines that might be thought further about—for instance, lubricating-oils. We have to pay 25 per cent. duty on them, and that, of course, has a tendency to increase the cost of manufacture.

14. Are these imported by the American trust?—Well, the Standard Oil Company are the chief importers of oils into New Zealand, and this oil naturally comes in through them; but, no matter which way it comes in, if we have to pay duty on it that still increases the cost of manufacture. I think it fair to ask that oil for running machinery should come in duty-free, seeing that we have no means of making it in the colony. We use the colonial oil for screwing purposes, and we shall be compelled to use it whether there is any duty on the other oils or not; but lubricating-oils, I think, should be admitted duty-free. That these oils should be dutiable is also antagonistic to the principle that the raw material for the manufacture of articles that come in free should be admitted duty-free also.

15. *Mr. Laurenson* (to *Mr. Cooper*).] *Mr. Cooper* made a statement about the number of travellers that the Harvester Trust had in Canterbury. How many travellers do you think they have, *Mr. Cooper*—have you any idea?—I have fairly reliable information that there are fifteen in Canterbury.

16. Are they on all the year round?—Well, it is only a little time ago that they were put on.

17. (To *Mr. Duncan*): You gave a comparison between the price—retail—charged in England for certain agricultural implements, and the price charged here. Have you any similar data about the retail price charged in America for similar agricultural implements?—No, I have not. They do not bring into this country the same implements that I enumerated.

18. You gave us a comparison with respect to reapers-and-binders—\$100 before the trust commenced operations and \$130 afterwards?—That was *Mr. Miller's* evidence. That is what we are afraid of. These people will take these implements that we manufacture now—if we do not get some substantial duty put on the American article—make them in America, and send them back here to sell.

19. On certain articles you ask for a duty and on others you do not; for instance, you do not ask for a duty on hay-making machinery, traction and oil engines, &c. Have you any idea of the price they retail these articles at in America—is it higher or lower than that at which they are retailing similar articles at here, now that the trust has come here?—I could not say. The only thing of the kind that we come into competition with is hay-rakes, and they sell these here very much cheaper than we manufacture them at. Our hay-rake is a heavier article, and we charge more for it.

20. *Mr. Alison* (to *Mr. Cooper*).] Can you tell the Committee the total value of the implements manufactured in the colony last year of the kind that you are now asking for the imposition of a 40-per-cent. duty upon?—No. I do not know how that could be got at. We gave the total value of our combined manufactures, but we are not asking for the imposition of a duty upon all we manufacture.

Mr. Dawe: I might just explain those figures of mine. Of the £300,000 representing our sales for the year, perhaps £250,000 would be articles manufactured in the colony on which we ask for the imposition of a duty, and the balance would be goods that we do not manufacture here. We simply ask for a duty on those things that can be made in New Zealand.

21. *Mr. Alison* (to *Mr. Dawe*).] If a 40-per-cent. duty is imposed on certain agricultural implements on which you are asking that it shall be levied, will the manufacturers then be able to compete with the Harvester Trust?—Yes, we consider they will.

The Chairman: I might point out, *Mr. Alison*, that the manufacturers do not ask for a 40-per-cent. duty. It was the workers that did.

Mr. Dawe: What we ask is that for everything we take off something be put on the imported article for us. We are reducing our price-list from one end to the other.

22. *Mr. Alison* (to *Mr. Dawe*).] Are you reducing the price-list as against the charges which you are making yourselves as manufacturers, or against the prices at which the Harvester Trust supply the implements?—Our own catalogue prices. We will take our own catalogues as they stand printed to-day, and deposit them with the Government, and say, "There is our catalogue; we will reduce those prices." If necessary we would give a duplicate invoice to whoever you might appoint, and we should then be able to say, "There is our catalogue price, and there is our reduced price." The farmer would have both figures in front of him.

23. What would the difference be?—Take a double-furrow plough. Say, it is £20 now, we would make the price £19. And other things would be reduced in proportion.

24. What is the difference between the price of the New Zealand manufacturer and that at which the trust is selling that article?—The prices are given in those figures that have been handed in.

25. Is the trust competing at all?—Yes.

26. Can you inform the Committee of the prices which they charge?—Their prices are hardly made public yet.

27. You say that you would benefit the farmer, but you are not able to show that you would benefit the farmer, comparing the prices of the New Zealand manufacturers and the prices charged by the trust at the present time?

Mr. Cooper: Exhibit E shows the "Osborne" prices for 1905 and *Cooper and Duncan's* for the same year, and when we say that we will reduce the price of, say, disc harrows, as shown on

that printed list, by 1s. 6d. per disc if you will put on a duty of 6s. a disc, it means that we will reduce our price for a 6 ft. disc harrow by 18s.; and the American price being the same as ours, it will mean a similar reduction of the American article also. Is that what you meant?

28. *Mr. Alison* (to *Mr. Cooper*).] What you contend is that if you reduce your price the American people will have to reduce theirs too. What I want to know is this: What are the relative prices of the local manufacturer and the trust for the same implement?—For a 6 ft. disc harrow the American firm's price is £13 10s., and the local manufacturers' price is £13 10s. For a 7 ft. disc harrow the prices are £14 10s. and £14 10s. Where the machines are alike the prices are very much alike.

29. *Mr. Fisher*.] But the terms are different?—Yes.

30. *Mr. Alison*.] You suggest that no duty be imposed on agricultural implements manufactured in England?—Yes.

31. I understood one of the deputation—I think it was *Mr. Duncan*—to say that the agricultural implements with regard to which you are asking for assistance are chiefly made in Canada?

Mr. Duncan: I did not say that.

32. *Mr. Alison* (to *Mr. Duncan*).] Are they chiefly manufactured in Canada?—That is harvesting machinery.

Mr. Dave: We do not wish you to leave out Canada. The trust have opened a large factory in Canada. They used to manufacture all their output in Chicago, but in order to avoid paying duty on goods sent to Canada they have started a factory in Canada. It is against American and Canadian manufacturers that we are asking for a duty.

33. *Mr. Alison* (to *Mr. Dawe*).] You are aware that Canada is a part of the British Empire?—Yes; but Canada has the door shut to British manufacturers, has she not?

Mr. Aitken: The Canadian Government have given a preferential tariff.

Mr. Dawe: On some goods.

34. *Mr. Alison* (to *Mr. Dawe*).] Do you think, then, seeing that Canada is part of the British Empire, that it is desirable we in New Zealand should place a prohibitory tariff upon goods manufactured in Canada?—I certainly do. I think we should protect our local industries as far as it is possible for us to do so.

35. Then, if Canada reciprocated and placed a duty upon goods imported from New Zealand, would you consider that right?—They do not take anything much from us.

36. I think you will find there is a very considerable quantity of goods sent to Canada from New Zealand?—A little wool and flax, and things of that sort, but nothing much. If these American people would come here alongside of us and manufacture in the colony under equal conditions, then the thing would be all right.

37. Would you consider it right to impose the same duty upon Australian-manufactured goods?—We do not get any machinery from Australia—

38. Assuming that the manufacturers there sent here the implements in respect of which you are asking for protection now, would you consider it a proper course to put a duty on them?—We are rather outside of them. I suppose it would apply in exactly the same way as with Canada. We are simply asking for protection for ourselves.

39. But you are making an exception in favour of Great Britain?—There is a lot of stuff made in Canada. Of course, if we cannot get protection against Canada we shall have to be satisfied with it against the United States; but the trust have stepped over the border simply to get away from the duty.

40. Do you think that under the proposals you are submitting the farmers of this colony will be benefited, and not injured?—I think so, undoubtedly.

41. *Mr. Aitken*.] A statement has been made this morning which was made by the previous deputation, that the harvester which is sold at £80 in Australia sells at £140 in the Argentine. What evidence have you gentlemen that that is the case? Is it only hearsay?

Mr. Cooper: The statement can be verified by a reference to the evidence given before the Royal Commission in Australia which inquired into the tariff question. That evidence is on the table now.

42. *Mr. Kirkbride*.] Some member of the deputation made a statement to the effect that a little protection would have enabled Reid and Gray to continue making reapers-and-binders?

Mr. Dave: That is going back to twenty years ago. We had to pay duty at that time on the raw material that we used in the manufacture of the reapers-and-binders, and we had to give up the making of them. We could not compete. At that time reapers-and-binders used to sell for £55 or £60; this was twenty years ago, and conditions have considerably changed since then.

43. *Mr. Kirkbride* (to *Mr. Dawe*).] You knew the binder, I suppose, that Reid and Gray manufactured?—Yes, to some extent. I was there at the time they manufactured these binders.

44. Do you think that if a farmer had the choice between the McCormick machine and Reid and Gray's he would prefer Reid and Gray's?—I heard a good many comments on Reid and Gray's machine as being one of the best handled. They said it was a trifle heavy at that time, but the machine gave satisfaction as a reaper-and-binder. Now, machinery is much lighter. I think it quite possible the industry might have been conserved to New Zealand, but now we do not anticipate making these machines at all.

45. Do you not think it was the weight of the machine, as compared with the machines of American make, that caused it to fall into disuse?—I do not think that.

46. I should like to make sure that the deputation is not asking for any protection against English manufacturers; is that so?

Mr. Trolove: That is so. We have stated that in several places.

47. *Mr. Aitken* (to *Mr. Trolove*).] By "England" you mean the United Kingdom?—Yes.

48. Great Britain and Ireland?—Yes. We make an important point of that—that implements from the United Kingdom should come in free.

49. *Mr. Kirkbride.*] You ask for this duty to be imposed on Canadian implements, as well as implements from the United States?—That is so. If a loophole were left through Canada it would be fatal to the scheme, because it is a simple matter for the United States to pour any quantity of goods into this country through Canada.

50. Have you anything to prove that the Massey-Harris Company have joined this trust?—No, we have nothing definite, but we are led to believe they have a working understanding—that they are not really competing with the trust.

51. This is only hearsay—it is not evidence?

Mr. Cooper: There is something approaching evidence in that report of the Royal Commission in Australia, which would perhaps answer the question. It refers to a secret letter that was put in in Committee.

52. *Mr. Kirkbride* (to *Mr. Cooper*).] Was not that hearsay, the same as we have had here?—No; there was something more definite than that.

Mr. Duncan: I might say that in making a comparison between English and colonial machines my object was to show that the English farmer does not get his machine any cheaper than the colonial farmer, although we have to pay freight on the raw material from England.

53. *Mr. Fisher* (to *Mr. Duncan*).] That is one of the things you are asking—that raw material should come in duty-free?—Yes. We sent a circular to the Government enumerating the articles on which we want the duty taken off that is levied now.

54. You pay duty on a great many parts at the present time?—Yes. There is the duty, for instance, on the timber, which we use largely in the manufacture of drills—timber which cannot be produced in New Zealand.

55. The fact of the matter is, when you come to sum the whole thing up you find that under the totally different labour conditions which exist in the colony you are placed at a disadvantage as against the American manufacturer?—Yes.

56. You have no objection to the trust coming into New Zealand and competing under similar conditions?—None at all.

57. You are also aware that, so far as the trust is concerned, you have absolutely no chance of getting direct evidence under any circumstances?—We have none.

58. You said just now, in answer to my question, that it is owing to the conditions of labour here being different from those in America that you are placed at a disadvantage as compared with the American manufacturers. If that is so, would not the labour conditions prevailing here, as against those prevailing in Great Britain, place you at a disadvantage as compared with the manufacturers in the Old Country?—I do not think so.

59. You consider you would not be at a disadvantage as against the manufacturers of the Old Country?—I do not think we should. We have always competed against the English manufacturer up to now.

60. *Mr. Taylor.*] Can either *Mr. Cooper* or *Mr. Duncan* tell us what it costs the New Zealand manufacturer on the average to sell his goods, in the way of commissions and travellers' salaries—what percentage?

Mr. Cooper: I reckon from 12½ to 15 per cent.—that is, under the conditions we have to sell under now—with competition from America.

61. *Mr. Taylor* (to *Mr. Cooper*).] Was there not an effort made a year or two ago to combine under one management all the implement-manufacturers in the colony?—There was some suggestion of that. *Mr. Duncan* or *Mr. Trolove* would be more conversant with that matter.

62. Have you any idea what the average cost to the implement-manufacturers is so far as advertising is concerned? What percentage on your business turnover does it cost you on an average?—Unless you call travellers "advertising," it is very small. We do not advertise largely.

63. Taking the whole industry, it must come to a fair percentage?—As a percentage it would be very minute—that is, newspaper advertising?

64. Yes?—As a percentage it would be very small.

65. Were you favourable to the proposed New Zealand Implement Trust a few years ago? What was the attitude of your company?—We were not favourable.

66. Have you changed your opinion now as to the possibility of some such scheme being carried out?—As far as the company is concerned, I do not think it has changed.

67. Have you personally changed your opinion?—It did not exactly coincide with my company's.

68. Do you know that one reason urged by the Harvester Trust of America for their existence is that their present organization results in an enormous saving in the cost of distribution and sale of their products?—That is so. I believe they claim that. But, as far as we can gather, although they may say that, it is not entirely what they are after, because there is the fact that they are increasing the prices of their implements, where there is no competition, too.

69. Do you think, then, that if the implement business in New Zealand was under one management there would not be an enormous saving in the cost of production and distribution, in view of the present duplication, or multiplication, of managements?—There is bound to be some saving. It opens up a big question. The businesses as they are now are all workable—that is, you can get one man who can manage a business of the size the businesses are now. If all the businesses were consolidated the capital would be £300,000, as shown from the papers handed in. Personally, I feel quite capable of managing a business such as we have now, with a capital of £26,000, or up to £40,000; but when the capital gets up to £300,000, I think it needs a different class of man altogether. And that is where I think the weakness of the scheme lay.

70. Do you really tell the Committee that you think no single business should be of a size that involves a capital of more than £40,000?—No. I mean this: if you get a business with a capital of £300,000, you want some extraordinary man to manage it, not because you cannot

manage a business of that size, but because if you make a mistake in a forty thousand pounds' business it is comparatively small, whereas in a three hundred thousand pounds' business it would mean a tremendous loss.

71. Would not a proposal such as Mr. McBride brought under the notice of manufacturers a few years ago mean specialising in the manufacture of machines as much as possible?—Yes.

72. Would not that be an advantage to the farmer as well as to the manufacturer?—That is another proposition.

73. Is it not reasonable to suppose that if a factory could specialise one particular article it could produce it cheaper?—Yes. The only thing against it is this: it should benefit the farmer, but it would not be likely to permanently benefit him inasmuch as competition would be gone. So that in one way it would benefit the farmer, and in another it would not.

74. Was it not proposed that, in the event of the formation of such a trust as Mr. McBride suggested, guarantees should be given to the State that the prices of the articles should not be increased?—Yes. I am not speaking of the price now, but of the improvement of the machines. As it is now I am trying to improve a machine so as to make it better than other manufacturers, and I suppose they are doing the same. What I mean is that by this combination such a spirit would disappear.

75. Can you not see any advantages in combination?—Oh, yes.

76. Ought not combination, if properly carried out, to result in the cheapening of products?—Yes.

77. You think that New Zealand industries can be carried on more successfully under the present system of running a large number of small concerns?—It is a wasteful system, no doubt; but I am not Mr. McBride, and I am not well versed in this scheme. I know the broad principles, and many of them appeal to me; but, at the same time, I can see that if such a scheme were carried into effect, a lot that is done now would not be done.

78. Generally speaking, do you not think that if we could combine all the larger groups of New Zealand industries, and give them such protection against outside trusts as you are now asking for with respect to agricultural implements, it would be a good thing for the colony?—It might. Give us protection without the combination first, and if it does not work get the combination afterwards. I am positively certain that it would be a downright good thing for the colony if we could get the colony's industries protected. I am not so certain, though I have not much doubt, that it would be to the colony's advantage to combine its industries.

79. If you are now wasting from 12½ to 15 per cent.—?—We are not wasting that amount.

80. If your businesses were combined and you were given protection against outside manufacturers, would you not practically save that amount?—Not as much as that.

81. How much?—We might possibly save half—that is, as long as we had outside competition. If you could get a combination of that sort and keep the American competition out altogether, then we could save the lot.

82. Why do you ask that British-manufactured implements should come in free?—We recognise that it is a big question. We recognise that we did not want protection, and have not asked for it, as long as competition has been what it has been. The competition of Great Britain is just the same now as it has always been. We have held up the stick against Great Britain and against America up to now, and we could continue to do so if it were not for the trust. If Great Britain comes along with a trust, then we shall want protection against her.

83. As a matter of fact, Great Britain is not your dangerous competitor?—The policy of Great Britain's trade is different altogether from that of America's. There is something about American competition that makes you feel you never know where you are. I do not know whether to get a stock of stuff to meet the trade that I know must be done by somebody, and which under ordinary conditions should come to me, because I do not know what the American competition is going to be. The competition of Great Britain is never like that.

84. While urging protection for the industry, you desire us to exempt Great Britain?—Personally, it was one of the first things that struck me. Great Britain has never done us any harm. She takes ten millions' worth of our produce every year, while America takes only about one million. I feel that there is a vast difference, and that Great Britain is entitled to something. She has always played the game fairly. If America had played the game in the same way we should not be asking for any protection against America.

85. *Mr. Bollard.*] This Harvester Trust is reputed to be very wealthy. Supposing an elaborate plant of machinery were installed to manufacture in the colony, what would be the result then?—Under the ordinary conditions of trade then?

86. A trust like the American Harvester Trust would put down a plant here that would cost £300,000 or £400,000?—American machinery is absolutely no good for manufacturing unless a very big market is obtained. No factory could run on American lines in a colony like New Zealand, even though it had the entire trade of New Zealand to itself, because the demand is not big enough for special factories such as they have in America.

87. It might have the Australian trade too?—If it manufactured in New Zealand for the Australian trade, well, so much the better for New Zealand.

88. It has been pointed out by one gentleman that the conditions in America were not satisfactory to this Harvester Trust, and they went over the border into Canada and manufactured there. The same thing might apply here. They might put in a big plant?—Yes.

89. I believe the machinery is far better in America?—Yes; but a plant of that size in a colony like New Zealand would be of no use. They would make as much in a week as we should use in a year.

90. If they manufactured in New Zealand and got the whole trade of the Pacific, it might be worth while?—Yes. If so they will be after it.

91. Can you manufacture malleable cast iron here?—Yes.

92. Equal to the American?—I say it is equal because we manufacture it. But I will tell you this: that Mr. Andrews, of Andrews and Beaven, got some from us because he had run out of his usual supply, and he came afterwards and told me that he must congratulate us on the malleable castings turned out by us; that he had had English and American malleable castings, but he had never had them of such uniform quality as he got from us. And I believe that is right. We are making link chain that will stand 20 per cent. more strain than any American chain we have tried alongside of it.

93. Is it not a fact that all the agricultural machinery manufactured in the colony—the class of machinery that you ask for protection on—is heavier on the whole than the American? No. Some of it is. I cannot see that that is an accusation which is a fair one, because we could make machinery just as light as the American machinery, if it were the proper machinery to make for the country, but it is not. When a machine is required to be light I say we can make it just as light as the American article, and we do. Cooper and Duncan make drills as light as any American drill, and stronger. We also make spring-toothed harrows of exactly the same weight as the American article, but we do not make ploughs the same or disc harrows, because they are of no use of that sort.

94. If they are of no use why do the people buy them?—Well, I mean they are not of so much use. They are not so durable. The American machinery is made for a few years only. I went to Invercargill about five years ago, and I got drills of Duncan's in that, to my knowledge, had been sent out fifteen years before, and they were still good. I also got American drills in that had been out only two years, and one did not know where to start repairing them.

95. Do you think the farmer is sufficiently educated to distinguish between the suitability of a heavy machine and a light one for his work?—Yes.

96. Do you think he is educated enough to go for the machine that will save horse-flesh?—Yes, if he knows. But there are a good many farmers and mechanics also who think that because a plough is light it pulls lighter. But they are both wrong.

97. You are not afraid of the English manufacturers because they turn out heavy machinery?—That is why we are not afraid of English manufacturers.

98. Take the case of a mowing-machine. In England the farmers are not particular about a machine being fairly heavy, because they only cut down about 10 or 20 acres at a time; but here a farmer would go for a light machine because he would probably cut 300 or 400 acres at a time; he would save a lot of horse-flesh, and if, after cutting 300 or 400 acres, he threw his machine on one side, it would pay him?—Yes, but I can tell you this: if the farmer here wants a light machine he can get it. If a mower is too heavy the farmer has only to say so and he will get a lighter one. But supposing the farmer got the light machines from America and we were not carrying on business, he would not be able to get a heavy one. While we are here he can get whichever suits him. I might say that there are crops in Canterbury that American mowers will not cut.

The Chairman: That is all, gentlemen.

Mr. Cooper: Might I mention this? The Year-book for 1903 shows the number of New Zealand factories engaged in this industry as thirty-six, employing 528 hands, while in New South Wales, which was also a free-trade country, the number of factories was seventeen, and the hands 304. In Victoria, where protection prevailed, there were at that time seventy-one factories, employing 1,090 hands. I think there is a little object-lesson in that. The matter of twine was also mentioned. The same Year-book shows that in 1901 the hands employed in this industry numbered 222: but the duty was taken off the imported article, and the number of hands came down to 150.

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