

last year was £10,329. We expend large sums annually in railages and in materials. I may mention that a local firm made a scouring-machine for us two years ago, and that machine is doing good work to-day, and that firm has received further orders from us. We did not give them the design. We showed them what we wanted, and they designed and fixed it up. The same with the drying-machine. We dry part of the wool in the machine and part in the open. I agree with Mr. Nicholls that sun drying is the best process. There are times when you cannot dry the wool outside, and the machine then can be used. We reckon to keep our machine going all the year round. Prior to the war large quantities of wool were bought by Germans and Japanese. A lot of that wool ought to have been scoured here, and could have been scoured here. Scouring the wool here means providing work for our own men, and means benefiting the country. There is still a large quantity of wool that could be advantageously scoured here.

To Mr. Veitch.] The Government could prohibit the export of wool that was fit for scouring.

To the Chairman.] The advantage to the State would be that considerably more men would be employed. The work would be suitable for returned soldiers; we have returned soldiers working for us. All of our men who went to the war and who have come back have been given jobs.

To Mr. Hudson.] After wool is scoured it will not deteriorate, but if there is a lot of dirt in it it will deteriorate.

C. C. DAVIS, Managing Director, New Zealand Glue Company (Limited), examined.

Our industry is one that perhaps is very little known; we are engaged in the manufacture of gelatine. The industry was started probably thirty years ago. The manufacture of glue was started first. The manufacture of gelatine was started in 1913. At that time the imports of gelatine into New Zealand amounted approximately to 1,200 tons, of a value of from £12,000 to £15,000. There was then no gelatine manufactured in New Zealand. The imports came principally from Germany, Austria, France, and Great Britain. In 1918 we have changed the position in this way: that we are manufacturing the whole of the requirements for New Zealand, and in addition New Zealand is an exporting country to the extent of 74 tons, of a value of nearly £20,000. We send it to Australia and Canada. We have invested in this industry in New Zealand about £27,000. We have recently established works in Australia, where we have invested over £80,000. What we are asking for is a better protective duty than what is at present in force. The present duty is only 1½d. per pound on gelatine and an equal amount on glue, plus $\frac{3}{10}$ d. preferential. On the basis of value that amounts to only 15 per cent. on glue and between 5 per cent. and 6 per cent. on gelatine. The duty was in force before there was any gelatine made here, and I think the industry is of sufficient importance for the Government to give us a little more protection than we have at present. There is no doubt about it that the position we have reached has been brought about mainly by the war conditions. When we get back to keen competition again I am very doubtful whether we can stand up unless we get better protection. I suggest protection from 20 to 25 per cent. and the preferential duty. We employ between seventy and eighty hands, and this is the only industry of the kind in New Zealand.

To Mr. Sidey.] The tariff in Australia at present is the same. But the position is that the Australian Government appointed a Commission to go into the question of the duties on glue and gelatine, and their recommendation is for a very substantial increase. It was on the strength of that increase that we have invested this money in Australia. As the pioneer of this new industry we think we should get consideration to the extent of a refund of the duty on the necessary machinery. To start many of these new industries a man needs to have a pretty good heart, and generally he has a pretty good fight. Very often it is impossible to get the machinery in New Zealand; and in many cases where the machinery is not in use in New Zealand it is protected by patents, and is not procurable here.

To the Chairman.] Wherever we can get machinery in New Zealand we get it. We have had to expend many thousands of pounds in Australia, and we have got no refund there. The launching of the gelatine-manufacture was a very big hurdle, and if it had not been for the war conditions we might have been in a very bad position. We do not want protection with regard to the glue. With regard to the raw material for the gelatine, the difficulty lies in getting the local people to supply it. New Zealand keeps us going for about nine months out of the year; the rest of the time we have to depend upon imports. The total value of the products we make here is between £70,000 and £100,000 a year, and that is all a distinct gain to this country; it comes from waste product which prior to our using it was practically waste.

C. H. HEWLETT, Canterbury Seed Company, examined.

I wish to refer specially to the manufacture of pearl barley and split peas. The duties are different. I will deal with pearl barley first. The duty on the manufactured article coming into New Zealand is £1 per ton. The duty in Australia is £4 13s. 4d. a ton—2½d. per pound. At the present moment, owing to the cost of the raw material, I think there will be hardly any pearl barley manufactured this year. They can put it into New Zealand far quicker than we can manufacture it. In the past during two different years we were the only pearl-barley manufacturers that kept going. We managed to struggle through, but others had to close up. I see no prospect of manufacturing at all this year on account of the scarcity of the raw material. All grain crops are a very high price this year; a very small area of grain crops has been put in. It has been a very favourable season, but the acreage is small.

To the Chairman.] I have approached the Minister of Customs several times during the past eight years, but he has said that we must wait until there is a revision of the tariff. The duty on the manufactured article is a quarter of what it is on the raw material. I think New Zealand should increase the tariff to the level of Australia; and I think in fairness they ought to reduce