

milk itself we pay £2 4s. 2d. per ton gross, or £3 9s. 3d. per ton net. Last year we paid the Railway Department close on £3,000 for forty weeks' railage. Then we use low-grade coal in our boilers, and we pay the same rate on the low-grade as on the best steaming coal.

*To the Chairman.]* Our product is competing against the American and Dutch on the London market, and fetching the same price. The highest price obtained at Home was £460 per ton. Before the war it was from £80 to £140. It is now £130. If we cannot get a reduction on the railways we may use electric wagons.

JOHN G. NEIL, New Zealand Sugar of Milk and Casein Company (Limited), examined.

I am chairman of directors of the company. Ours is one of the very few industries that has not a tariff. We use a number of imported articles that have to pay duty. We want a tariff against the foreign material. We can meet the British competition.

*To Mr. Veitch.]* Our industry is separate from the dairy-factory business.

JAMES WILDE, Union Felt Hat Company, examined.

We have to compete against overseas labour. There are three hat-factories in New Zealand, employing only a small number of hands. We have twenty-five. We must pay more than 50 per cent. over the British labour. I think the Australian duties ought to be imposed here. Australia is flourishing, while we are languishing. The Arbitration Court should not be allowed to interfere with wage-earners who are in competition with the foreign article.

*To Mr. Hudson.]* We reckon that 40 per cent. of the cost of production goes in wages, and if you increase the wages the cost of the article must increase. If the tariff is increased we will be able to pay in wages nearly £30,000 a year more than we do now. I do not see that a duty would have any effect on the cost of the article.

*To Mr. Craigie.]* If we get a tariff our business will extend. We send rabbit-skins Home to be shaved, and they are sent back in the form of felt.

*To Mr. Luke.]* The article is so far ready-made when we get it from Home that all we have to do is the blocking.

*To Mr. Veitch.]* The Government ought to discriminate more in items in the tariff. Hats and caps are together, but caps and straw hats do not cost the same for production in New Zealand as felt hats.

J. B. SHACKLOCK, Ironfounder, examined.

It seems to me that the industries that New Zealand should develop are those connected closely with the primary products of the soil. I fail to see that New Zealand can be a large manufacturing country in the ordinary sense of the word as compared with the European countries. It would be no use manufacturing articles beyond our own requirements. Other countries can manufacture as cheaply as we can, and consequently, in the event of our making a surplus, there would be no country to which we could export. It is necessary, of course, that certain industries should be protected. When I say "protected" I do not speak of protection in the ordinarily accepted interpretation of the term. I think the Government misses the mark of protection by putting a tariff on certain goods. The Government look on the tariff on certain lines as a source of income, whereas if you are going to protect an industry the Government ought not to look on the tariff as a source of income. I will give an instance that came under my notice since the war broke out. Black sheet iron is imported from Britain, and the only duty is a primage duty of 1 per cent. But somebody got the ear of the Government, and it was suggested that with a view to encouraging galvanizing in New Zealand an extra tariff should be put on galvanized iron. It is 30s. or 40s. a ton, and a preferential was put against the American black sheets. The result was that after the war broke out black sheets were unobtainable from Britain but were obtainable in America. The duty was really more on black sheets than on galvanized, and consequently instead of protecting any industry by the tariff the Government penalized the galvanized industry and the other industries that were called on to use black sheets. In connection with one lot of 15 tons of black sheet iron, if they had come from Britain the duty would have been £5 9s. 6d., but as they came from America we had to pay £112. If they have been galvanized and had come from America the duty would have been £32 6s. 9d. I have another lot of 30 tons. If they had come from Britain the duty would have been £7 18s., but as they came from America it was £165. If they had been galvanized from the United States the duty would have been £61 18s. The point is that the system at present adopted by the Government in fixing a duty on certain lines of goods does not always protect an industry. In fact, since the war broke out, it has penalized certain industries. The matter has been brought before the Government, but no impression has been made on them. The reply has always been, "Sorry; nothing can be done in the meantime." This is an anomaly in the tariff: On black sheets the duty is 20 per cent. and on galvanized it is 30s. per ton. Personally, I think that if it is decided that certain industries ought to be assisted—and it is desirable that some of them should be assisted in this country—there should be something in the nature of a bonus, which ought to be based on the freights between here and the Old Country.

*To Mr. Forbes.]* It would be well if a Board were set up that could recommend the Government to give assistance during the time an industry is being placed on a commercial footing.

*To Mr. Craigie.]* I am in favour of encouraging all the industries connected with the natural products of the country. In another place it was said that the Parapara iron-ore ought to be worked. Personally, I do not agree with that. If you do that you will have a large surplus of manufacture that no one will buy. If you have a plant to make rails you will make as many in a month as New Zealand would use in a year. They could not be exported.