

employees. The advantage of being able to increase production without any additional capital outlay by simply leasing further space, and at the same time working under modern conditions, is of the utmost importance to the small but growing industrial concern. By providing those combined factories we would also be offering the finest inducement possible to experts—of whom there are many—with initiative and good judgment to come to the Dominion. Up to the present such experts have been workers, and in some cases foremen, in large manufacturing firms, and have had no chance of rising to economic independence. They are the class of men needed here, especially those trained in lines of manufacture not up to the present located in this Dominion. Australia, realizing that it must be more self-supporting and not rely so much on imported manufactures, and that with a debt of about £800,000,000 the interest and capital of so large an amount must be covered by the productivity of their primal and secondary institutions, has up to the present made preparations for the establishment of no less than fifty-one new industries, to commence operation immediately. One of the units of the building would serve admirably as memorial workshop and trade school where returned soldiers, apprentices, and other industrial workers could receive training in the productive arts through the services of skilled instructors—with the added advantage of being able to make a tour of inspection at any time to see articles being made under actual working-conditions. Another portion might be set aside as a laboratory for scientific research work, for the purpose of discovering new and better processes of manufacture, which might be the means of establishing new industries and at the same time greatly assisting the development of existing ones. In considering the matter of research work, we should not lose sight of the fact that, apart from the great advantages that may result to industry, new avenues of employment will be opened up for many of our most brilliant men. Viscount Milner has well said, "To educate without creating opportunity is to set a bonus upon the export of national ability." We have unfortunately in past years not fully appreciated the importance of scientific research, but it has been shown in the great war to be vital to the progress of industry. About one-tenth of the cost of a battleship would build one complete unit scheme; the money so spent would provide a building that would last for generations, with growing benefits to the whole community year after year, and would go far to solve one phase of the problem of reconstruction. With the limited time at my disposal it is impossible to convey many other and varied advantages the combined factories building has to offer. However, these are embodied in detail in a paper now in the hands of the printers, copies of which I hope to have the pleasure of handing you prior to your departure, and your perusal of and report on which I respectfully request.

H. F. SINCOCK, Manager of Donaghy's Rope and Twine Company (Limited), examined.

My object is to place before you one or two anomalies in the Customs tariff. Binder-twine comes into the country free of duty. There is a 10-per-cent. protective tariff against foreign importations. We do not object to binder-twine coming in free, but we object to a £7-per-ton duty against us in Australia. Australia can dump their twine into this country free of duty, but if we send to their market we have to pay £7 duty.

*To Mr. Forbes:* Small quantities of their twine come in. Another thing is this: This is three-ply Hornsby binder-twine [sample produced] that can be imported into this country. Not a great quantity comes in. We have pointed out to the Customs time after time that it is practically a seaming-twine. It comes from Belfast and other manufactories at Home. We have pointed out that they are defeating their own revenue in allowing the stuff to come in. It is being used as a seaming-twine and not as a binder-twine. It was greatly used as a ham-twine when that commodity was scarce during the war-time. The three-ply Hornsby comes in free as binder-twine. I have approached the Customs time after time about the matter. With reasonable protection we could produce that article in New Zealand. To illustrate the point I can say this: Two-ply flax lashing, a similar article made of manila of three-ply and slightly thinner, bears a 20-per-cent. duty. It is strange that one should come in free and that the other should have a 20-per-cent. duty. It is distinctly an anomaly in the tariff. We are not particular about imports from the Old Country, as they have a long distance to come, and we have the New Zealand fibre here to compete against them. We do object, however, to Australia putting a £7-per-ton duty against us and being allowed to bring her product here free.

*The Chairman:* What does Australia do with lashing?—It has a duty of 25 per cent. The other matter that affects our business is the importation of Hong Kong manila rope. It has a 20-per-cent. duty, but it is not an effective duty against Chinese labour. If the rope were produced in America it would pay 20 per cent. plus 10 per cent., but Hong Kong being a British protectorate, it is allowed in at 20 per cent.

*To Mr. Hornsby:* It is made in China but shipped from Hong Kong.

*To Mr. Craigie:* We import large quantities of manila rope made from hemp imported from the Philippines. It is free of duty. In spite of the high tariff in Australia we send some binder-twine there, but we could send more if the tariff was taken off.

*To Mr. Forbes:* The local farmer has excellent protection against exploitation. New Zealand can produce over a third more than the binder-twine required for consumption in the country—in fact, it could almost double the requirements here. Binder-twine has gone up tremendously this year, but that is explained in this way: The Government controlled the price of fibre, but not the green leaf, and that has sent it up pretty well £20 per ton. They allowed the farmer to charge anything he liked for the green leaf, until it rose to about £2 10s. per ton, and it takes 8 or 9 tons of green leaf to make a ton of fibre. The farming community have recognized there was a necessity for the increase. We do not suggest that a duty should be put on against the British twine. There is a duty at present against the American of 10 per cent. We want