

*To the Chairman:* The depth of the Bluff Harbour at low water is 28 ft. 6 in.: there is a 7 ft. rise of tide. Since we widened the wharf we can berth at low water a vessel drawing 31 ft.: that will provide for the berthing of the largest boats that come to New Zealand.

*To Mr. Feitch:* I do not think our harbours are so well conducted as other local bodies, for this reason: that harbour engineers are not so plentiful as county engineers. Engineers are born, not made. Mistakes have been made right throughout New Zealand in connection with harbour-works, and the result has been that the settlers in the surrounding districts have been encumbered with large liabilities. The sanction of the Marine Department is required for new works; but that Department does not exercise sufficient control. Harbours are national affairs, and should be in charge of an engineer of great ability.

*To Mr. Lake:* The instructions of Sir John Coode and other eminent engineers have not always been followed.

*To Mr. Hudson:* Perhaps it would be advisable for the Government to have a dredge to be used by small harbours not wealthy enough to procure a dredge of their own. I would suggest that the Committee support such a recommendation.

A. LE H. HOYLES, General Manager, New Zealand Milk Products (Limited), examined.

We have for some years past been impressing upon the Government the necessity for safeguarding the industries of the Dominion by prohibiting the importation and use of foreign capital for the purpose of the establishment of new concerns. We use the term "foreign capital" as distinct from New Zealand or any purely British capital. The principle involved in this issue is, of course, a very broad one, and concerns practically all the industrial world not only of New Zealand, but of the British Empire. We, of course, are more concerned with our own particular industry, that of milk-condensing, and our company this month completes twenty-one years of industrial activity in the Dominion. The bulk of our capital is held by New Zealand shareholders, and the balance in Australia. We have been definitely advised by the Nestlé Anglo-Swiss Company that when they commence manufacturing operations in the Dominion their intention is by hook or by crook to secure the whole trade of New Zealand. That this threat is no empty boast is evidenced by the fact that in Australia at the present time they control the trade in condensed milk, having during the past ten years by various methods succeeded in so hobbling the purely Australian concerns as to make them of no practical account to the trade. As far as genuine British competition is concerned, we naturally can have no possible objection, but we certainly think that the Government should protect one of our primary national industries from a corporation whose management and head office are located in Switzerland, employing a capital of over four millions sterling, of which according to our last advice 95 per cent. was held by shareholders in Switzerland. At the present time the price of condensed milk in New Zealand is as low as any other country in the world, and in some instances considerably lower. In conclusion, we may say that our negotiations with the Government up to the present time have led us to believe that they are entirely sympathetic with us and are prepared to do all in their power to preserve the milk-condensing industry in New Zealand as an all-British-owned one. I would only add this: there has been an impression not only here, but all through New Zealand, that during the past few years—during the war period—our industry has made enormous profits. I would like to take this opportunity of publicly refuting that. Although our turnover during the past four or five years has considerably increased, yet our net total profits per annum during the last five years have been very considerably less than before the war commenced. That is due to the fact that our manufacturing-costs to-day are 90 per cent. higher than they were five years ago, and the price obtained for our manufactured article to-day is only 60 per cent. higher than it was five years ago.

*To Mr. Forbes:* When the general manager of the Nestlé's Company came over here from Sydney some years ago he came to see me in my office, and he told me definitely that they never considered it worth while buying up a competitor—that they could always get rid of them without that. At that time the general manager of that company selected a site for a factory for the company near Palmerston North. I understand it is their intention to start as soon as they can get machinery after the war. By their own showing, 95 per cent. of the shareholders are Swiss. They might promise to sell condensed milk at a lower price; but that is only one of the tricks they have. Ten years ago in Australia condensed milk was 22s. and 24s. a case, and Nestlé's came in and sold it at 14s. a case; and by that method they knocked out two or three Australian concerns. At the present time the price in Australia is exactly the same price as it is in New Zealand; the scheduled price is 32s. a case—four dozen in a case—8s. a dozen. I have had no further information beyond that I received three years ago as to their starting again in New Zealand soon.

*To Mr. Hornsby:* It is practically an impossibility to find out the nationality of the shareholders, for this reason: that all the shares are payable to bearer—there is no share-list.

*To Mr. Hornsby:* The suspicion as to its being a German company could only possibly be set at rest by means of inquiries made by our Consul. Provided the guarantees were sufficient, it might meet the case if no company of that sort were allowed to come into the country and start business except under license from the Government. If the guarantees were sufficient that might do, but the term "under license" may be very broad. I may say that we made inquiries at Home through our London agents some years ago, and also in 1917; and as far as the information from London goes the Nestlé's people informed them that about 95 per cent. of the shares were held in Switzerland, and the other 5 per cent. abroad and in France. They had no information as to how their shares were held.