

## MINUTES OF EVIDENCE

TAKEN BEFORE

## THE COLONIAL INDUSTRIES COMMITTEE.

FRIDAY, 8TH SEPTEMBER, 1871.

Mr. Krull, being in attendance, was examined.

1. *The Chairman.*] I have written to Germany in reference to three kinds of seeds which are now recognised to be the best. The system of levying the duty on the raw beetroot has brought the manufacture to such perfection that no one can compete unless he uses one of those three kinds of seeds. It requires a small beet from half-pound to three pounds, otherwise it will not pay. The Government raise the duty gradually as they find the manufacture pays. The beet is white. The manufacture is never carried on alone, but always in connection with large farming operations.

2. *The Chairman.*] Are you aware whether the manufacture is confined to any particular portion of the year? Yes. It is during five months.

3. Are the manufactories closed at other times of the year?—Being in connection with farms, the hands find constant employment. A gentleman who has an estate generally establishes a sugar manufactory on it. It pays him even if there is no profit on the sugar, because the residue fattens the cattle, and it pays him in that respect. I will give you one instance of a very small farm of 575 acres, in the department of the Nore, in France. 195 acres are devoted to the cultivation of beetroot 195 acres to wheat, 57 acres to flax, 37 acres to oats, 45 acres to grass, and the remainder to houses and roads. The farm referred to purchases beetroot from peasants, in addition to what it grows. He fattens on that, out of the residue of the beetroot, 600 head of cattle, and 2,400 sheep.

4. Does he keep the refuse of the beetroot all the year through, or has it to be used within a certain time of the sugar being extracted from it? Will it keep without fermenting?—I have no doubt it must keep, because he keeps fattening the stock all the year.

5. Do you know how often they venture to grow the crop?—It can be done two or three times, because the ground only wants a fresh dressing. Out of 3,000 or 4,000 acres 500 would be sufficient to be laid out in beet. My intention was, if any concession could be got, and the idea was entertained in Germany, to grow other things besides beetroot. For instance, rape seed could be grown. That would be very beneficial, because the straw of the rape is required for the cattle. The ground which has grown beet answers exceedingly well afterwards for wheat, and is much more valuable than before. The ground has to be cultivated one foot deep. The whole cost of growing beetroot and preparing the land is estimated in Germany to be from 36s. to 39s. per acre.

6. What will that represent here?—I could not say, not knowing the time it takes. In Germany the farmer finds all the labor and machinery, and the workmen, if they came out to New Zealand, might have a certain per centage in the concern. Laborers in Germany work day and night at very low wages, and they would be in a better position if allowed to participate in the profits. If the Government of New Zealand, as they intend to encourage immigration, would give suitable land at reasonable prices, and pay the passages of the immigrants who would come out with a fair amount of capital, it would be only fair.

7. What number of immigrants?—About 200 men, besides their families. That is the reason I spoke of 3,000 acres, as each would have two or three acres to keep a cow on.

8. *Mr. Richardson.*] What is the average rate of wages in Prussia?—From nine to ten shillings a week, without board. They had a house free, and were allowed to run a cow, and perhaps a few pigs. In Germany, besides growing beetroot, they grow chicory and carroway seeds, and manufacture their own starch. I mention this to show that their operations would not be confined to beetroot. If immigrants came out, they would grow their own flax, spin it by hand, and probably manufacture it.

9. *The Chairman.*] You have not said anything as to the terms on which the land should be given?—I should think £1 an acre. The land requires to be of a light and sandy description, and where the root would go deep into the ground, without touching clay. I think Dr. Hector mentioned that land similar to that at Taranaki and Patea would be most suitable. The root sometimes grows down to a depth of two feet.

10. *Mr. Holmes.*] What protection do you think would be expected?—The Government could, as in Germany, obtain an authentic return as to the progress of the manufactures, and when they paid more than 15 per cent for a few years, raise the duty accordingly on the sugar, and gradually reduce it until it only pays 10 per cent.

11. Suppose a company were offered land at a fair and reasonable value, with the fee simple and £1,000 as bonus on 500 tons of sugar, and free of duty for seven years, would that be sufficient inducement?—I have no doubt it would be sufficient. I think if you gave it to one company, you might be obliged to give it to others too, and seven years would perhaps be rather long. In the course of three or four years they would be able to pay £1 or £2 duty, and to gradually increase it. As I said before, there should be a statement of the profits, and the moment they paid more than 15 per cent the duty should be raised accordingly. It will be in the nature of an excise duty.

12. *The Chairman.*] You say you have been in communication with some one in Germany on the subject. Did they give you any really substantial reason for believing that an offer of this kind would be responded to?—I have written to the German Government, and they take great interest in the matter. My correspondent asked me what I thought of the field for immigration in New Zealand, and I mentioned that I thought exceedingly well of it. I have not the slightest doubt that the Government would consent to the scheme with the greatest pleasure, because really the terms are exceedingly good.