

15. Can you tell us what the increase in importations of kerosene has been since the duty was reduced?—I can only speak for my own firm: our increase was 40,000 cases.

16. As against what?—Our sales last year were about 100,000 cases, and this year 140,000.

17. That is an increase of nearly 50 per cent.?—Yes; but that increase is not in our sales alone. We represent the Colonial Oil Company here, but we sell a large quantity of oil for the oil-engines. It is simply marvellous to note the increase there has been in the importation of oil for other than illuminating purposes.

18. Can you discriminate between the amount of kerosene used for illuminating purposes as against that used for machinery?—Well, previously to 1903 we never imported the lower-grade oil—that is, the 125° test.

19. What proportion of lower-grade oil do you import now?—I do not think we have had more than 15,000 cases. The consumption is gradually increasing.

20. Would that mean an increase of forty or fifty thousand cases of kerosene for illuminating purposes?—Fully.

21. What is the relative consumption for illuminating purposes of candles as against kerosene?—I have never calculated that.

22. We want to find out if the increased consumption of low-grade kerosene has had anything to do with the consumption of candles?—I do not think so. The lower grades of kerosene are not used for illuminating purposes at all. It is only the higher-test oil that is used for illuminating purposes.

23. You cannot give us any idea of the increase of kerosene used for illuminating purposes in order that we may see how it affects the output of candles?—I cannot do so. A large amount of the oil is used for cooking purposes, and also for heaters. These purposes have increased the sale of kerosene-oil enormously. There is another article in connection with oil which I may mention—benzine. Twelve years ago I dare say our sales were not more than a hundred cases a year; now they are more than five or six thousand cases a year.

24. Have your trade orders for kerosene increased in proportion to the decrease in the output of the candle companies?—I do not think so. We get through quite as large a number of candles as ever, but a larger quantity of imported candles is used than hitherto. There is no diminution in the sale of candles on account of the large quantity of kerosene-oil imported.

25. The position with regard to the sale of candles, both locally manufactured and imported, is that the two have increased?—The imported candles have increased enormously, but the locally manufactured have decreased more than the increase in the importations.

26. The capital invested in the candle companies of New Zealand is £70,000?—Yes.

27. Is that the written-down capital at the present day?—I think so.

28. How many people are employed in the candle industry of the colony?—I really could not say altogether. I can find out.

29. Can you inform the Committee what the increased duty would amount to of  $\frac{3}{4}$ d. per pound that you suggest?—I have not calculated it at all.

30. Upon the imports up to 1904 I have worked it out: it would amount to £9,506?—Is that for the whole of New Zealand.

31. Yes, that is for last year?—There is also the duty on paraffin-wax.

32. You suggest that the duty should be removed from paraffin-wax?—Not necessarily, so long as the duty on candles stands at  $1\frac{1}{4}$ d.

33. I understand that the local candle company only made £59 profit last year?—Yes.

34. I calculate that the duty you are asking for, taken upon the total output of the candle companies of the colony, would come to about 13 per cent. upon the capital invested. That is without any writing-down?—You must also take this into consideration: that if the increased duty is put on, the candle companies will possibly reduce the prices slightly. The candle companies' object is to prevent, if possible, the excessive importations. The margin they ask for now would not prevent the importation of candles, but would decrease the quantity imported. The candle companies are able to turn out, I think, 160,000 boxes of candles annually in the colony.

35. Assuming that the duty of  $\frac{3}{4}$ d. per pound were put on candles, would that not give an opportunity to those who are controlling the kerosene business of the world to raise the price of kerosene for illuminating purposes?—I do not think it would have the slightest effect. The kerosene market is controlled entirely by companies in America and Europe. At the present time kerosene-oil is lower in price in New Zealand than in Victoria. Benzine is also lower in price here than in any other part of the world outside Europe and America.

36. How do you account for that?—I do not know. Some years ago, before the Colonial Oil Company opened up operations, we sold benzine at 1s. 3d. a gallon, and now we supply it at 8 $\frac{3}{4}$ d. We are at a loss to know the cause of the reduction. There has been no opposition.

37. There must be an oversupply from time to time?—The market fluctuates a great deal. We have had two cables in one day altering the price of turpentine. We cannot understand these movements at all. The people in the business will put the prices up and down most unexpectedly.

38. Will you supply us with particulars concerning the number of people engaged in the candle business in New Zealand?—Yes. I might say that the question of labour is an important factor. For Rangoon candles they get the labour for 9d. per day, while we have to pay 8s., and other charges are in proportion. The candle-boxes are made locally, and the printing is done locally, while we also have to pay a duty on the paper we import, and then there is the higher cost of money. I think the margin of  $\frac{3}{4}$ d. on wax and  $1\frac{1}{4}$ d. on candles is a very reasonable one to ask for.