

*Mr. Mitchell:* Might I be permitted to supplement the remarks of Mr. Willis in this connection. In company with Mr. Beaven and Mr. Trolove I was present in Wellington last week when this subject was discussed with members, and I am conversant with the details of the scheme; and I may say that the manufacturers are agreed that there should be embodied in any legislation that is passed a proviso stipulating that in the event of the prices having to be advanced through any circumstances over which they have no control the duty would automatically come off the goods on which the prices were increased. So the bond would be binding to this extent, that the price of a machine could not go up without a fourfold decrease in the amount of duty protecting that machine; and, on the other hand, if by reason of increased output the manufacturers found it possible to reduce prices, they would ask that the duty be increased proportionately. This arrangement would act automatically through the Collector of Customs, the present price-lists to be the basis on which to assess the selling-price.

TUESDAY, 17TH OCTOBER, 1905.

FRANK COOPER, Manager of Messrs. Cooper and Duncan (Limited), Agricultural-implement Makers, Christchurch, examined. (No. 7.)

1. *The Chairman.*] You appear to give evidence in connection with this Harvester Trust business?—Yes.

2. Will you please make your statement in your own way?—*Mr. Chairman and gentlemen,* the subject we are here to place before you is the colony's agricultural-implement-making industry, and we feel certain that to those engaged in agricultural pursuits the matter is at the present time of most vital importance. Though we have full knowledge of the inconvenience that our bringing this matter forward at this late period of the session must cause the Legislature, we cannot but see that urgency is the only way to save the situation, and that is our excuse for so pressing the matter upon your attention now, and we ask your consideration under the circumstances. In introducing this matter of the agricultural-implement industry, and the possible effect on it through the threatened inroads of the International Harvester Trust, it is necessary, in order to give a clear view of the position, to revert back to the statistics of past years. The agricultural-implement industry, like the pursuit of agriculture, was commenced in the early days of the colony, at a time when we believe there was a protective tariff on implements. The pioneers of the industry, however, were further protected by heavy inward freights, and the special requirements of the colony necessitating special machines; further, the demand being limited, the field was then not attractive to foreign makers. These industrial pioneers, unlike a large number of pioneer agriculturists, failed to become wealthy men, which fact goes to prove that the manufacturing business has never been a very profitable one, or that it has never been abused. The (from a national standpoint) regrettable feature is, as shown by statistics, that despite the enormous extent of country brought into cultivation of late years, the industry, closely allied to agriculture, has unfortunately remained stationary. In support of this statement we purpose putting in an exhibit marked A, the figures of which will show that the increase in acreage brought under cultivation during the ten years from 1891 to 1901 was 3,756,763, the increase in imports of agricultural machinery £96,221, whilst the increase in the number of factories was nil, and in the number of hands employed fifty-eight only. This deplorable state of affairs cannot be attributed to lack of inventive ability on the part of those engaged in the industry, as it is readily admitted by those farmers who have up to now failed to support us in this movement, and those practical farmers who have travelled other countries, that the agricultural implements which New Zealand has produced are without question amongst the best in the world, and without doubt the best in the world for New Zealand's requirements. Notwithstanding this, however, we can emphatically assert that thousands of pounds are spent annually by New Zealand farmers on foreign implements that are quite unsuitable for their requirements. The question may be asked, How is this to be accounted for? Well, gentlemen, it is accounted for by the fact that the rapid increase in acreage brought into cultivation by such factors as the development of the frozen-meat industry, the opening-up of fresh country, and the Government land policy was so marked that it immediately attracted the American manufacturers, who, with an open door for their products, seized upon the opportunity and fixed their prices a little below those of the local makers. This, as their products were of a more flimsy construction, left a margin for the employment of an army of canvassers; whereas the local makers, not having a margin to permit of employing canvassers, the benefits from the results of the Government policy—a policy which, we might point out, we have borne our proportion of taxation to help carry out—became lost to us. I have pointed out that the colonial industry has remained stationary. This fact has a worse meaning than appears, for it has taken all the natural increase in the demand for those machines or implements that the Americans do not touch to keep the trade at that point. In 1891, 528 hands were employed in making *all* the farmers' requirements—and, like most manufacturing businesses, we have good and bad paying lines—while in 1901 there were but 586 hands, or fifty-eight more, engaged in making those lines which are not good enough for the Americans. The American has thus secured all the new and a considerable part of the old trade in the good paying lines, and the colonials have had his leavings. The colonial manufacturer has been proud to state that he has carried on his business on free-trade lines, but he is undoubtedly sore at having to pay duty on raw material, which, if manufactured into implements, would come in free. If conditions had remained the same he would no doubt have remained content. We think you will agree that the statistics quoted fully prove that the industry has been loaded with just as much as it could carry, and you will understand then, that any innovation of a detrimental character will quickly turn the balance. This innovation is here now in the shape of the International Harvester Company of America. It is true that this company are handling practically