

manage a business of that size, but because if you make a mistake in a forty thousand pounds' business it is comparatively small, whereas in a three hundred thousand pounds' business it would mean a tremendous loss.

71. Would not a proposal such as Mr. McBride brought under the notice of manufacturers a few years ago mean specialising in the manufacture of machines as much as possible?—Yes.

72. Would not that be an advantage to the farmer as well as to the manufacturer?—That is another proposition.

73. Is it not reasonable to suppose that if a factory could specialise one particular article it could produce it cheaper?—Yes. The only thing against it is this: it should benefit the farmer, but it would not be likely to permanently benefit him inasmuch as competition would be gone. So that in one way it would benefit the farmer, and in another it would not.

74. Was it not proposed that, in the event of the formation of such a trust as Mr. McBride suggested, guarantees should be given to the State that the prices of the articles should not be increased?—Yes. I am not speaking of the price now, but of the improvement of the machines. As it is now I am trying to improve a machine so as to make it better than other manufacturers, and I suppose they are doing the same. What I mean is that by this combination such a spirit would disappear.

75. Can you not see any advantages in combination?—Oh, yes.

76. Ought not combination, if properly carried out, to result in the cheapening of products?—Yes.

77. You think that New Zealand industries can be carried on more successfully under the present system of running a large number of small concerns?—It is a wasteful system, no doubt; but I am not Mr. McBride, and I am not well versed in this scheme. I know the broad principles, and many of them appeal to me; but, at the same time, I can see that if such a scheme were carried into effect, a lot that is done now would not be done.

78. Generally speaking, do you not think that if we could combine all the larger groups of New Zealand industries, and give them such protection against outside trusts as you are now asking for with respect to agricultural implements, it would be a good thing for the colony?—It might. Give us protection without the combination first, and if it does not work get the combination afterwards. I am positively certain that it would be a downright good thing for the colony if we could get the colony's industries protected. I am not so certain, though I have not much doubt, that it would be to the colony's advantage to combine its industries.

79. If you are now wasting from 12½ to 15 per cent.—?—We are not wasting that amount.

80. If your businesses were combined and you were given protection against outside manufacturers, would you not practically save that amount?—Not as much as that.

81. How much?—We might possibly save half—that is, as long as we had outside competition. If you could get a combination of that sort and keep the American competition out altogether, then we could save the lot.

82. Why do you ask that British-manufactured implements should come in free?—We recognise that it is a big question. We recognise that we did not want protection, and have not asked for it, as long as competition has been what it has been. The competition of Great Britain is just the same now as it has always been. We have held up the stick against Great Britain and against America up to now, and we could continue to do so if it were not for the trust. If Great Britain comes along with a trust, then we shall want protection against her.

83. As a matter of fact, Great Britain is not your dangerous competitor?—The policy of Great Britain's trade is different altogether from that of America's. There is something about American competition that makes you feel you never know where you are. I do not know whether to get a stock of stuff to meet the trade that I know must be done by somebody, and which under ordinary conditions should come to me, because I do not know what the American competition is going to be. The competition of Great Britain is never like that.

84. While urging protection for the industry, you desire us to exempt Great Britain?—Personally, it was one of the first things that struck me. Great Britain has never done us any harm. She takes ten millions' worth of our produce every year, while America takes only about one million. I feel that there is a vast difference, and that Great Britain is entitled to something. She has always played the game fairly. If America had played the game in the same way we should not be asking for any protection against America.

85. *Mr. Bollard.*] This Harvester Trust is reputed to be very wealthy. Supposing an elaborate plant of machinery were installed to manufacture in the colony, what would be the result then?—Under the ordinary conditions of trade then?

86. A trust like the American Harvester Trust would put down a plant here that would cost £300,000 or £400,000?—American machinery is absolutely no good for manufacturing unless a very big market is obtained. No factory could run on American lines in a colony like New Zealand, even though it had the entire trade of New Zealand to itself, because the demand is not big enough for special factories such as they have in America.

87. It might have the Australian trade too?—If it manufactured in New Zealand for the Australian trade, well, so much the better for New Zealand.

88. It has been pointed out by one gentleman that the conditions in America were not satisfactory to this Harvester Trust, and they went over the border into Canada and manufactured there. The same thing might apply here. They might put in a big plant?—Yes.

89. I believe the machinery is far better in America?—Yes; but a plant of that size in a colony like New Zealand would be of no use. They would make as much in a week as we should use in a year.

90. If they manufactured in New Zealand and got the whole trade of the Pacific, it might be worth while?—Yes. If so they will be after it.

91. Can you manufacture malleable cast iron here?—Yes.