

the conditions of life are much about the same as New Zealand. All the figures I shall give were presented by me to the Arbitration Court in 1916, and the Court specially adjourned for a day to allow a thorough investigation. They were fully investigated, and not one figure disturbed. In 1890 the industry employed 1,475 males, and produced goods to the wholesale value of £403,736. In 1916—the last figures available—the number of males employed was 1,455, or 20 less; but that number produced goods to the value of £801,572. In 1890 there were 468 females employed to provide work for 1,475 males, whereas in 1916, owing to the introduction of machinery, it took 802 women to find the work required by 1,455 males. On the question of remuneration, the average wage paid in 1890 to males was £72; in 1916 it was £132. In 1890 the wages paid to females was £38, and in 1916 it was £57. In 1890 the money invested in land, plant, and buildings was £81,627; in 1916 it was £295,024, or £130 per worker, as against about £68 per worker in Australia. Then, here is a fact I consider most important for this Committee to absorb: On the question of the value of the output to the material, wages, and profit, the relation of material to output in America is 62·27, in Australia 56·8, and in New Zealand 54·1. It does not necessarily follow that the Americans cut up more material per hour than we do, but there is a difference in the value, because the value of the article is determined as the price at which it can be landed in the country. The wages-value to the output in America is 20·9, in Australia 28·8, and in New Zealand 31·9. A little later I shall show you what effect this 31·9 has upon the industry from a tariff point of view. In America for the whole industry, employing 185,116 workers, the gross profit to output is 16·4, in Australia 14·3, and in New Zealand 13·9. Out of that 13·9 has to be met all new plant, buildings, and other things, as set out in the table I hand in, and the balance is net profit. It is unfortunate that neither in this country nor in Australia are there statistics which enable the outsider to know what percentage of net profit is gained out of the gross. In America there are such statistics, and the United States figures show that the expenses not included in material or wages equal 11·16 per cent. of output. If the overhead and other charges are no greater, or no less, in New Zealand than America, then the industry shows to the manufacturer a net profit of 2·3 on his output. And here is a significant fact: Taking this industry as a whole and cutting out all the free goods, of which there are a large number, there remained in 1914 these figures: Total foreign value of dutiable goods, £357,964; upon which a duty was paid of £105,062. The general public, by putting these two things together, come to the conclusion that the boot-manufacturer gets 29 per cent. protection; but he does not. The operative wages-value per cent. of wholesale selling-value of shoes made in England is 14 per cent. and in New Zealand 31 per cent. Now, if the £357,964 worth of goods had been made in New Zealand, the wages we would have paid, at our present schedule of 31 per cent., would have been £110,968; but as a matter of fact the wages actually paid, on the basis of 14 per cent., came to only £50,115 in England. Therefore the difference which would be collected is £60,853, or 17 per cent. That 17 per cent. has come off the 29 per cent., because that difference has not gone to the manufacturer, but to the workers in increased wages, owing to the different conditions as between the two countries. We have to import a certain amount of raw material upon which a duty has to be paid when the goods come in ready-made. The one duty covers everything, and this item is responsible for £9,600, or 2½ per cent. Therefore we have 19½ per cent. cut off in these two items alone. Another difference between the cost to the New Zealand manufacturer over that to the English manufacturer is that our travelling-expenses, clerical work, insurance, and other charges are much higher, the difference by a most conservative estimate being fully 6 per cent. That leaves an actual protection over the Old Land of 3½ per cent. to the New Zealand manufacturer. The disabilities against that 3½ per cent. are two: that we are 16,000 miles away from the market, and that we are manufacturing in a small country with a sparse population and cannot export our surplus, if there is any. I am willing that these figures should be submitted to any one as to their correctness. There is another point: that no man in this world can have any income unless something has been made or produced or sold, and as a country has only one real asset—its people—and can only pay its debts out of the industry of its people it is surely common-sense that as much of the population should be employed as may be possible. There is another point that the Committee should take into consideration, and that is the relative hours of work that are observed in various countries. I have given here an extract from the Australian report on this question so that you may trace it.

*Mr. Sidey.* What duty would you say is required?—We have not made any request for further assistance. I do not in this case claim to express the views of the manufacturers as a whole, though for twenty-three years I was president of the Manufacturers' Association. First of all, I believe it is the duty of the people to set up for themselves whatever standard of life they desire, and having set up that standard they should protect themselves to that limit. All the protection needed is to give to these people that standard of living in wages, conditions of work and hours of labour, and all things that appertain to it. Beyond that I think no protection should be given. Before any protection is given it is the duty of those engaged in the industry to prove to the satisfaction of the governing authorities that they are using the very latest and best methods and the latest and best machinery, so that goods may be produced at a minimum cost. Having done that, every industry is justified in claiming protection. Now that you have put the question I will answer it more fully. The New Zealand tariff is 1s. 6d. per pair and 15 per cent. on men's boots. One of the recommendations you will see from the Inter-State Commission is that it should be 2s. 6d. and 30 per cent. *ad valorem* for men's boots for Australia. Now, the population of Australia in 1913 was 4,764,236, and they produced 83 per cent. of all the footwear they consumed. In New Zealand, with 1,196,573 people, we only produced 51 per cent. I propose to put in a report here showing, first, the value of the goods produced being the products of wool, hides, and skins produced in New Zealand; and I will try and show you not only what is done, but what is capable of being done from that raw material which is indigenous to the country—and, after all that should be the basis of the whole thing. It is not a bit of good attempting