

to make articles in this country if we have to procure all the raw materials from another country. The goods that are produced from wool, hides, and skins are, roughly, tannery goods, fellmongery, and wool-scouring—that is, the portion of the articles scoured; leather—boots and shoes, saddles and harness, portmanteaux and bags; wool products—hosiery and ready-made clothing. For the census of 1911—the last census under pre-war conditions—the import value of these goods was £2,759,439; and the revenue derived from that was £456,343. That was the imported value of the articles that are made from raw material which this country has in abundance. There is a feeling that this country was intended to be a country for farmers only. If you ask the average man in the street what proportion our secondary and manufacturing industries bear to our primary productions he will tell you probably 5 or 10 per cent.; but I ask the Committee to note the figures taken from the last available statistics: the export value of all our primary productions, in round figures, amounted to 31 millions; and for our secondary and manufactured goods the figures are 43½ millions. Those are the figures for one year. There is another thing, a table, to which I will refer, which I think will astonish you. Giving the primary industries all their share of doctors, lawyers, domestic servants, transport, &c., and the same with reference to the manufacturing section, the latter is very much the larger portion. The landed value of goods of the class I have mentioned was £2,759,439, and we manufactured from the same class of raw material to the value of £3,918,872. The actual added value or gross profit was £305,129, upon which taxation was paid; 8,961 persons were actually employed as workers, representing 34,022 of the population. The question is, what portion of this class of imported goods could we or should we have manufactured? The first is the tannery, fellmongery, and wool-scouring. We could manufacture three-fourths of the balance. I have taken these figures out very carefully, and am perfectly certain that it is a very conservative basis; and the result is £157,301 in value. We could manufacture half the quantity of boots and shoes that we now import. We would not manufacture them all, because there are certain highly specialized articles that some women will pay very high prices for. There are also gum boots and other classes of footwear made from rubber and things other than rubber. That would be responsible for 700 persons. Instead of going into the details, I will leave the papers with the Committee for perusal. The balance of the imports makes a total representing £2,148,041, which would give a profit of £504,315, to provide for an extra population of 39,171; and the revenue would lose £99,067 by the transaction. I have now to show that the country is not going to lose that £99,067; and here again I submit figures, and suggest that the Committee should carefully examine same or get some one to check them. The actual result of a balance-sheet on these figures shows that after debiting the £99,067 of lost revenue there is a balance in favour of manufactures of £403,444. That is arrived at although in that particular year the activities of woollen-mills showed no profit at all; however, in 1896, woollen-mills made a profit of £118,270. That is, between war-time and pre-war time from a revenue point of view we have £403,444 in favour of manufacturing; and we find that after debiting the taxation, local and general, and the direct Customs taxation—which, of course, we have lost—the figures show a loss of revenue amounting to £100,872. Debiting the loss of revenue, there remains a credit of £302,572 in favour of local manufacture. What have we done? We have not only provided the additional profit of £302,572, but we have found a living for an additional 39,171 persons. You gentlemen who are interested in the primary productions please find out how much it would cost per annum to feed that number of people, for we must all admit that there is no market in the world so good as the home market. Here is rather a peculiar point, and worth your careful study. All the figures there quoted are based upon pre-war taxation—taking Government taxation at £4 16s. 11d. per head of the population and the local taxes averaging £1 14s.; that taxation amounted for those 34,022 persons to no less than £222,703. For the taxation per head I took the figures from the Government statistics for the pre-war taxation, and from the newspapers for the 1918 taxation, and it works out now at a little over double the pre-war. If the taxation had been on the present basis, instead of giving a credit balance of £302,572 it would have been £812,000; and if we take the debit to Revenue Account the debit would become a credit of £153,895. Therefore it shows that the higher the taxation the more profitable it is to study intensive manufacture in this country. Now I would like to make a remark in criticism of a statement that I read in the paper this morning with regard to the making of paper in this country. There is paper in this town, and plenty of it, suitable for news printing-paper, that was made from New Zealand timber. A large quantity of West Coast timber was treated sufficiently to make ten or a dozen rolls of news printing-paper. A person was sent Home just before the war, who was instructed never to lose sight of that timber until it was converted into paper; that duty was faithfully carried out. Experts say that there is nothing better in the way of news printing-paper than this paper. There are large areas of similar timber available in New Zealand for the purpose. With proper cutting and replanting the supply can be maintained indefinitely. It would, of course, be ridiculous to suggest that this country should try to make everything. Our first aim should be to make such goods as the raw material for which is indigenous to the country. I submit to the Committee a group of forty-eight different articles imported into the Dominion in 1913 of a gross value at port of shipment—freight and duty are not included—of £14,000,000. In the first group the major part of the raw material for the manufacture of the twenty-four articles, of a value of £6,600,000, is available in the Dominion: We have the necessary materials waiting at our hands to be developed. I do not propose to read all the articles; but No. 2 group shows six classes of goods the home value of which was three millions; and a considerable portion of the raw material we have here, and in some instances we actually export the raw material when we have got the facilities for making the articles ourselves. In No. 3 table there are seven groups of articles of which there is still less raw material here; and the fourth group is a group that we should never aim at, and we shall not be able to make them for many years. In a great many inquiries of this kind it is absolutely necessary to