

tramways. Tenders were called. Americans tendered and a local firm tendered. The tenders were so close that the Tramways Board decided that one should be made locally and the other in America. Now, all the time the local one was being made men were working on it and receiving wages and spending money on tram fares. The sum of £800 was paid in wages, and is still going round. Further, about £200 was spent in material, which money would remain in Christchurch. Altogether about £1,000 of the £1,400 was floating round Christchurch as a result of the local manufacture. In the case of the imported article the order was sent to America, the thing was shipped over, and £1,400 had to be sent back, and that was all about it. That is an illustration of what happens. In the one case we got £1,000 and the sprinkler. In the other we got the sprinkler, but America got the money. As regards the quality, Mr. Beaven might be asked the question.

*Mr. Beaven:* The imported one has required about twice the repairs that the other one has, and is no better.

*Mr. Cooper continued:* The Dominion's primary production available for taxation is the return from the produce exported minus the cost of the products imported, hence the less products imported if the requirements are manufactured here and the greater the production of the Dominion. The proposals are submitted based on the realization of the necessity for returned soldiers being speedily brought into productive occupations, the knowledge that heavy taxation due to the war can only be met by production, and the further knowledge that only by having an assured market can manufacturing be carried on at its best. It is also an important factor that an assured market will effect considerable saving in selling-costs. It is common knowledge that larger countries are realizing the importance of extending their activities in order to meet war costs, and competition must become far more aggressive than in the past. It is feared that without some extra provision to meet these conditions on the part of the Dominion the position of manufacturers will speedily become worse than before the war. The following are the proposals submitted to meet the foregoing conditions, and are essential to ensure capital and effort for immediate increased production in the Dominion: The levying as early as circumstances will permit of a protective tariff of 25 per cent. on those imports which are the product of Great Britain and of 50 per cent. on those imports from all other sources than Great Britain on such goods only as are now being manufactured in New Zealand, provided that the makers thereof can guarantee to produce sufficient quantity for the Dominion's requirements. It is important to manufacturers that the provisions as to refund of duty under section 154 of the Customs Act, 1913, should be perpetuated. Resting upon some such protection, then, the industries of the Dominion can be further encouraged and benefited by our No. 3 proposal. Mr. Booth will make representations to the Committee in connection with proposals No. 3 and No. 4, and as regards proposal No. 5 Mr. Beaven will speak. I place before the Committee the following exhibits: (A) List of Canterbury engineering manufacturers; (B) list of Canterbury agricultural-implement manufacturers coming within the scope of these proposals; (C) list of present engineering and agricultural implements imported upon which calculation as to labour represented is made; (D) extracts from journals *re* activities in Great Britain and the United States, suppliers of these importations; (E) illustrations of comparative costs in small and large quantities; (F) combined statistical figures showing progress of Dominion industries at census periods from 1896, and deductions therefrom classified under present tariff conditions; (G) details of conditions of important industries.

*To the Chairman.* There were proposals at one time for a special tariff arrangement with regard to agricultural implements, but they only resulted in the importers being more active in American lines in opposition. The Government brought in the Monopolies Prevention Act, which prevented dumping and made other provisions. The provisions were of no value, however. In the event of our getting protection we are prepared to submit ourselves to control in regard to local prices. For myself, I think it is the duty of the Government, if they afford protection to a manufacturer, to afford protection to the consumer. There is no desire on our part to exploit. The matter has been considered by the association, and there would be no objection to prices being reasonably regulated in the event of our getting protection. The manufacturers fully realize that protection to the industry will warrant protection to the consumer, and that the consumer should not be exploited. If there is a Department of Industries the matter could be regulated by it.

*To Mr. Luke.* I favour a universal tariff—a duty on all machinery. While we are putting a duty on other people's goods we ought to be subject to duty ourselves. There again, however, you have to consider the consumer. If you put a duty on the machinery necessary to start specialization it will in all probability cramp the industry at the outset.

*To Mr. Sidey.* There is protection in Australia where it is required. All the articles I have referred to are protected in Australia. The position in New Zealand is deplorable when you see the position in Australia. Australia has a very effective tariff, but it is a country with five million people, and it can specialize to a larger extent than we can, with or without a tariff. With one million people we want more protection than Australia, and in effect we have less.

*To Mr. Luke.* Water-tube boilers are the principal import in the boiler line at present. Many large concerns are putting in water-tube boilers. It is practicable to make the boilers here. I will confer with the other members of the association, and, if possible, prepare a scheme to enable this work to be acquired for the Dominion. Internal competition keeps down the price. Immediately protection is given other manufacturers start in business. Internal competition will generally regulate the prices, and there would be no need for the Government to have the controlling authority.

*To the Chairman.* I admit that combination must be guarded against.