

47. *The Chairman.*] Can you not get that leather in the country?—Yes, but not morocco.

48. In fact, it amounts to this: the right time has not yet arrived for the manufacture here of these things?—That is the whole thing. We are not ripe for it. We are wanting to become many years before our time. That is the difficulty. In another twenty years it will be soon enough to prohibit these goods from coming into the country.

## CANDLE AND SOAP MANUFACTURE.

No. 55.

Evidence of Mr. McLEOD (of McLeod Bros., Candle-manufacturers) before the Commissioners on Local Industries, at Dunedin, 18th May, 1880.

I UNDERSTAND the Commissioners want brought before them my views on chemical manufactures, such as sulphuric acid, soap, stearine candles, and artificial manures; and the interdependence of such industries. I would simply like to point out the connection that the manufacture of sulphuric acid has with stearine candles and artificial manures, and, again, such manures with agriculture, and how these industries are connected with each other. No single one of them could be maintained for a length of time alone. The present manufacture in New Zealand of candles—I mean, of course, stearine candles—owes its existence entirely to the protective policy of Victoria. Sulphuric acid is exclusively made in Melbourne by two large firms. The existence of the candle industry being guaranteed by protection, a demand and use for this acid arises; the acid being there, the making of artificial manures becomes possible from the bones, blood, and flesh of the slaughtered cattle and sheep, otherwise useless, and from waste products of tanneries, gasworks, &c.; and these manures find their way back again into grain and cattle, &c. Such factories require skilful workers in brass, iron, copper, and lead to erect and maintain them; and superintendents with that higher education so much provided to Germany by her technological schools. A further extension of this industrial interdependence may be pointed out. One bye-product of the candle industry finds a use and a ready market in the woollen factories engaged making tweed, blankets, hosiery, &c.; taking the place of the expensive olive-oil of Gallipoli: while the fatty acids from these factories, now running to waste, ought to be reconverted into stearine fit for soap and candle making. The protected woollen and textile factories of Belgium in this way enable her to beat the world for cheap stearine candles; while the waste waters of Yorkshire factories are a source of large income to the manufacturers there. Further, as an outcome from sulphuric acid and tallow, the manufacture of glycerine might be mentioned, with its possibilities in relation to dynamite, gas-meters, paper, ink, leather, &c. The effect of such industries being encouraged is further seen when a factory like our own, but yet scarcely established, consumes coal to the extent of 150 tons per month. Looking at sulphuric acid from a merely agricultural point of view, it is impossible to overstate or exaggerate its importance in relation to the maintenance of the fertility of our grain-producing soils; a five-million loan is insignificant in comparison. Victorian protection maintains the candle industry in New Zealand. Now, sulphuric acid is a dangerous and expensive article to carry backwards or forwards on board steamers; and this is done while New Zealand has the raw material capable of manufacturing this article. Our own business is one of those peculiarly suited to this country, in so much as protection enables us to sell our goods to the consumer cheaper than even the imported article could be sold without any duty. But to establish or maintain such an industry without a protective tariff would be almost, and I believe quite, an impossibility. The article produced, I have no hesitation in saying, is as good as any imported; yet our customers are throwing it into our teeth constantly that it is colonial—a thing that ought rather to be in its favour. We have thus to throw away this duty, which is so often supposed to be taken from the pockets of the many. We have to do this regularly. We have to compete at first with the prejudice which exists in the minds of the bulk of our consumers. They think that the imported article must necessarily be better. The people who retail to them have less trouble in selling the imported article, while, as a rule, they can realize bigger profits from selling it. It is a fact that people regularly, through prejudice and force of habit, give from 1d. to 2d. per pound more for an imported candle than is, to say the least, no better than the colonial. My experience as a colonial manufacturer for the last twelve years is, that no one should attempt to manufacture any article that he is not prepared to make better and sell cheaper than the imported. If the question is asked, "How comes there a necessity for protection if the article can be produced as cheaply?" the reply may be made that, under any policy, the colonial article, no matter how good, will not command nearly the same price as the imported; and this, under a policy of free trade, taken in conjunction with human nature as it displays itself under the struggle for existence and the competition for business, means the hopeless struggle of a young community for manufacturing independence and civilization.

49. *Mr. Stevens.*] Do I understand that you wish something done in the way of encouraging or stimulating the manufacture of sulphuric acid in this colony?—Yes; I think there is nothing of greater importance.

50. It is free at present?—Yes.

51. How do you wish it done?—That I am not prepared to say.

52. Are you aware if any one is manufacturing it now?—There is no one.

53. Has it ever been tried?—I think not.

54. Have you reason to believe that the thing could be readily made in this colony?—There is no doubt about it whatever; it is largely done in Melbourne.

55. Is the manufacture of it very expensive?—The plant is very expensive.

56. For what sum do you consider a fair sort of works could be established in this colony?—Not much under £10,000, considering the abundance of the supply of sulphur in the colony.

57. Do you or do you not think that sulphuric acid could be made in the colony by an individual or by a company starting with £10,000?—I do not quite understand.