

all sections alike are interested. Having referred incidentally to the question of wages, the Commissioners think it right to mention here that, from many quarters, the high rate of wages has been represented to them as one of the principal causes that militate against the promotion of local industries.

The Commissioners have not considered it necessary to make any inquiry into the position of the wool or grain-producing industries, or those minor ones which are naturally associated with them. The gold-mining and coal-mining industries, and the whole class of mineral industries, on the other hand, they felt they ought to investigate very carefully, both on account of their vast importance, and because they appear, from their very circumstances, to be so situated as to demand special attention from the Government. It was, therefore, with great regret that the Commission found themselves precluded, by want of time, from visiting those localities where for the most part these industries are seated, or are likely to come into existence. The Commission respectfully recommend that, should the present inquiry be continued, or any similar one be instituted in the future, a thorough examination should be made of the settlements on the west coast of the Middle Island, with a view to ascertaining what aid can most effectively and advantageously be given by the Government to the production of gold, coal, iron, timber, and other valuable materials which are known to exist there in boundless profusion, but under conditions of difficulty insuperable to a sparse population of limited means and appliances. Many other industries of great potential value must be placed in the same category with these; and the Commissioners trust that it will not be supposed they have overlooked them or under-rated their importance, merely because they have been compelled by the exigencies of time and travel to omit them, so far, from the compass of their inquiry. With these preliminary observations, the Commission will proceed to report in detail upon those subjects which have attracted their particular attention.

AGRICULTURAL PRODUCTS.

Tobacco.

The most important agricultural industry which has been brought under the notice of the Commission is undoubtedly the cultivation of tobacco for manufacturing purposes. The evidence establishes the fact that any quantity of tobacco, equal in quality to the finest American, can be grown in New Zealand, and that there is no reason why the whole of the tobacco consumed in the colony should not ultimately be produced and manufactured in it. This industry would afford profitable employment to cottage farmers, and also to women and children, and would utilize large tracts of lands which at present are either waste or yielding but little. Having satisfied themselves on these points, however, the Commission are met by the representations of the revenue officers, who show that if the tobacco industry were to be allowed to flourish, one of the most important sources of revenue (the only source which can be absolutely depended on) would be dried up. The operation of "The Tobacco Act, 1879," undoubtedly is to destroy the tobacco industry. It has actually had that result. But this appears to have been the object of the Act, and the tendency of the policy recommended by the Customs Department and adopted by the Government. That policy having been decided upon, it is useless for the Commission to make any recommendation on the subject of tobacco. A compromise in such a case would clearly be vicious. If the Customs revenue is held to be of paramount importance—as it unquestionably is at present—then the growth of tobacco ought to be prohibited, as it practically is by the Act of last year. If the local industry is held to be of paramount importance—as we trust it will be some day—then no restriction should be placed upon its pursuit, at all events until its early difficulties are overcome. The Commission are assured that after five or six years' cultivation tobacco could be produced in New Zealand, equal in quality to any that is now imported; and that, the industry once established, the same amount of revenue that is now raised by the Customs duty on imported tobacco could be raised by means of stamps on the locally-produced tobacco. As to the question of manufacturing tobacco from imported leaf, the Commission regard that as of far less importance than the other. It seems likely, nevertheless, to assume considerable proportions, and to be