

SUMMARY OF FUNCTIONS AND ORGANIZATION OF DEPARTMENT

Although other sections of this report elaborate on the functions of the Department, it is convenient to summarize them here so that the relationship of functions and organization can be more readily appreciated. The functions may be summarized as—

- (1) To foster the development of industry and commerce ;
- (2) To assist industrial and commercial interests in overcoming particular problems ; and
- (3) To exercise controls imposed by the Legislature, both on social aspects of industry and trade in such fields as the prevention of either monopoly exploitation or indiscriminate competition, and on the use of materials in short supply, as, for example, rationing of tires.

In practice, functions under each of these headings expand into a wide sphere of operation, and, of course, in practice they do not retain clear demarcation one from the other. The fostering of the development of industry, for instance, embraces the problems of competing factors as between groups of industries (both primary and secondary) and as between imports and local manufacture. It embraces, too, the problems of licensing of industries under the Industrial Efficiency Act, as well as the problems of protection to industry under other means (tariff and import license). Dissemination of information assists in developing both industry and commerce. Development of commerce must necessarily have regard for international trade agreements and practices, including import and export-licensing procedures and exchange-control operations both here and abroad, as well as more specific practices relating to particular commodities. It is in these fields that our overseas representation is helpful, although outlets for products of our industries will probably become of more relative importance if the development of local industries results in their yielding a wider range of products for export.

Examples of assistance to industrial and commercial interests in overcoming particular problems are provided by Government procurement of goods, where necessary, by assistance in obtaining quotas where goods are under allocation in other countries, and by our part played in respect of shipping services. Mention has already been made of such matters as decentralization, technical advisory aid, and trading estates ; there are also such features as assistance to the Building Controller in advising upon applications to erect factory premises and to the Registrar of Companies in respect of capital issues affecting industrial expansion ; the sponsorship of visits abroad by New Zealand industrialists and contact here with visiting industrialists from overseas.

Powers of control in such matters as monopolies have been vested in the Department for some time, but the recent war experience has intensified the application of administrative measures to reduce the disadvantage to consumers from profiteering. Action on another aspect—that of reducing the effects of indiscriminate competition—is seen in such measures as the control on the exhibition of cinematograph films and the control of the retailing of motor-spirit. The social and economic effects of both overgrowth and restraint in the distributive services (the so-called tertiary industries) may prove to be as important as these same factors are in primary and secondary industries ; this also is a question claiming the attention of the Department.

To carry out these functions the Department is divided broadly into an Industries Division and a Commerce Division. The duties cannot, of course, be confined in any water-tight manner because of the nature and the extent of the interaction between matters which concern industry and matters which affect trade. Administrative co-ordination is achieved through the Secretary of the Department, while at all points there is the necessary contact between officers concerned with the two Divisions. District offices are maintained in Auckland, Christchurch, and Dunedin, while overseas representatives are stationed in the United Kingdom, Canada, United States, India,