

- (e.) To advise on the probable effects of any suggested change in the fiscal or financial policy of the country which may be submitted to it by the Government for investigation.
- (f.) To arrange for the collection and regular publication of such market reports as shall be useful to the public of New Zealand.
- (g.) Generally, to advise the Government on any matter affecting the industrial and economic condition of the people.

NOTE.—(1.) It should be observed that this Board is merely an advisory body, and its main function—and one on which the Commission lays great stress—is eliciting the facts of a given problem, and pronouncing an expert opinion upon these for the information of the public and the use of the Government.

(2.) It is essential that the Board should be representative of the various classes of the people, and should contain at least two expert economists.

(3.) If the Government sees fit to adopt this recommendation, the Commission thinks that the Advisory Board to the Government Statistician mentioned in Recommendation No. 1 (d) might be constituted of a committee of the permanent Board of Investigation.

Tariff.

6. *Customs Tariff and Protection**:—The Commission, after close inquiry, is of the opinion that highly protected industries have increased the cost of living to 95 per cent. of the people, and that the duties, especially on the common necessities of life, should be abolished. They recognize, however, that the encouragement given by the Government has induced many of these industries to operate in New Zealand, and that it would almost amount to confiscation if the protection afforded were suddenly abolished, but they believe it is in the best interests of the community as a whole that no further encouragement be given in the form of protective duties. It is their opinion that a system of bounties is more satisfactory in every way, which would give all the encouragement necessary to help any useful industry into active being. The Commission recommends that the following alterations be made in the present tariff, viz:—

- (a.) That the duties on the necessities of life, including (i) all food-stuffs, (ii) the most important commodities used by the primary producers be removed, provided that both classes of duties are dealt with concurrently.

Failing the adoption of recommendation (a), the Commission recommends—

- (b.) Confectionery and biscuits, 2d. the pound, should be altered to 20 per cent. *ad valorem*.

(The present tariff of 2d. gives 100 per cent. protection on cheap confectionery and biscuits, and only 15 per cent. on expensive goods.)

Boots: Present tariff should be altered to 20 per cent. *ad valorem*.

Timber: That the duty on timber be abolished.

Starch: The present duty, 2d. the pound = 80 per cent., should be altered to 20 per cent.

Cartridge, gun: Present duties, 40 per cent. to 60 per cent., should be altered to 20 per cent.

Fish (potted or preserved), now 2d. the pound, should be free.

Fish (salted), now 10s. the hundredweight, should be free.

Condensed milk, now 25 per cent., should be free.

Matches: All matches, wax and wood, should be 20 per cent., and the preferential tariff be abolished. A 20-per-cent. tariff would produce about £20,000 in revenue, and, as the whole wages paid to workers in these industries is £11,302, it must be evident that a 20-per-cent. tariff is more than ample protection for this industry.

- (c.) All imported and locally made boots, shoes, and slippers containing composition insoles should be branded "Composition," and if containing cardboard should be branded "Cardboard." Any vendor selling such goods unbranded should be liable to a heavy penalty. Imported

* See reservation on p. xviii, by Mr. Tregear.