

The Departments of Agriculture and of Industries and Commerce are at present worked as one, and in the opinion of your Committee an alteration from this state of affairs is imperative. A separate Department of Industries and Commerce should be set up, having extensive powers, much on the lines of the inter-State Commission of Australia, excepting that the Board should be directly under the control of a Minister of the Crown. By this means it is believed the necessary stimulus can be given to existing and new industries which are so vital to our national development. The Board should consist of three members of wide business experience, who should devote the whole of their time to the performance of their duties, and the salaries should be such as would attract the best men in the Dominion. Extensive authority should be vested in the Board, one of its important duties being to act as a Tariff Board with power to make recommendations. The functions of the Board of Trade, which has little or no power, should be taken over by the Board of Industries and Commerce.

*Powers to be exercised.*

The Board should be empowered to—

- (1.) Engage in trade :
- (2.) Investigate and control prices :
- (3.) Prevent exploitation of the public and suppress profiteering :
- (4.) Make advances to industrial and commercial concerns :
- (5.) Investigate trade conditions :
- (6.) Prevent unfair methods of competition :
- (7.) Report to the Minister direct on all matters inquired into.

The Board should be charged with the duty of investigating from time to time matters affecting the public interest, such as—

- (1.) The encouragement, improvement, and extension of New Zealand industries and manufactures :
- (2.) Markets outside New Zealand, and the opening-up of external trade generally :
- (3.) Wages and social and industrial conditions :
- (4.) Labour, employment, and unemployment :
- (5.) Other matters referred to the Board by either House of Parliament, by resolution, for investigation.

THE CUSTOMS TARIFF.

Your Committee was favoured with voluminous evidence in connection with the secondary industries, and found that the welfare of almost the whole is threatened by competition from abroad, especially Eastern countries. In the case of machinery the threatened competition is mostly from the United States of America. In the opinion of the Committee the question of secondary industries is largely bound up with the Customs tariff; and notwithstanding that in many cases protection is now given, unless further assistance by duties or bonus is extended (always having in view the necessity of keeping down the cost of living), it is certain that some very desirable industries are in danger of languishing and possibly perishing. New Zealand has for years adopted the policy of protecting the welfare of its workers by insisting upon a good standard of living, and it naturally follows that if this policy is to be pursued (and the Committee agrees that it should continue) it is obvious that the community must be prepared to protect the product of the factory and workshop. It has further to be considered that in most competing countries labour conditions are more onerous and the standard of living is not so high as in this country.

*Australia.*

Australia, our near neighbour, has elected to treat New Zealand as a foreign country by placing this Dominion on exactly the same footing as Japan, America, and other foreign countries. New Zealand, on the other hand, has extended favoured treatment to Australia by treating her in the same way as the United