

is £84,792,434? Further, if these industries languish for lack of protection, what is to be done with the 81,700 present employees: does he suggest they be added to the present unemployed?" I do not think, as I point out in my paper, that the evil is hardest to cure at the very time that its effects are worst in their reaction on the farmer. I say that now you have committed yourself to it you have to stand up as best you possibly can and aim at keeping your tariffs steady rather than altering them materially from time to time. That is the problem. You have your tariffs, which provide shelter that enables high wages to be paid in the various industries, or, rather, it enables the industries to survive; without the tariff many would not survive. If you ask me, were I Mussolini, what I would do at the present time, I would say, Leave them alone. Then Mr. Barber goes on, "And what is to become of the rising generation if employment cannot be found for them in the secondary industries? My answer to that is that if we as a country centred our social policy on promoting to the fullest possible extent, without a multitude of trade barriers, the more efficient aspects of our industry, we could safely leave the rising generation to take advantage of the economic situation. They would thus be provided for in that way. Continuing, Mr. Barber says, "Can Mr. Williams point to any nation that has become great by relying solely on the primary industries?" No, and I do not wish New Zealand to attempt it either.

Mr. Brechin: We have done it.

Mr. Williams: There are a few secondary industries. The implication in this question of Mr. Barber's, "Can Mr. Williams point to any nation that has become great by relying solely on its primary industries," is that New Zealand has no reasonable prospect of ever being anything else but a humble country. My belief about New Zealand is that, economically and geographically, it has no reasonable prospects of being anything more than a relatively humble country, fairly well placed on the outskirts of civilization. There is nothing you can point to in its geographical or economic situation to suggest that we will achieve any large measure of greatness. Professor Murphy, in regard to the graph on page 148, asks, "Do you consider the spread attributable mainly to manufacturing costs in the strict sense, or to such factors as distributive charges?" I cannot answer that question in any accurate way. It is a matter largely of closer knowledge than I have at the moment. Very possibly, as Professor Murphy suggests, the spread is due to these other factors. I would like to point out in respect to these graphs that you must not put your finger on any particular point of time. They are useful only as suggesting the general trend. Mr. Henderson asks, "Does Mr. Williams suggest that the questions raised in section VIII have not been investigated by experts?" I did not read that section, so I have to presume that members of the Conference have not read it. It is a very important point, and I think I am right in suggesting that the situation as I have presented it there has not been investigated in New Zealand by experts.

Mr. Henderson: What did Professor Tocker say about it?

Mr. Williams: I was fortunate enough to be Professor Tocker's guest last night, and I mentioned the matter to him. He said he contemplated investigating the matter, but had not done so yet. The matter was raised by Professor Towsey, who is, I think, the greatest living authority on international trade, and he suggested that at a stage in borrowing such as we have arrived at in New Zealand the terms of trade are likely to go against us. I suggest that that is a line for investigation, and will not make any attempt to express an opinion upon it at the present time. Professor Tocker has not made any investigation into it yet. Mr. Cooke asks, "Land-values have increased from £389,164,729 in 1916 to £603,250,306. At an annual interest of 5 per cent. it means approximately £10,700,000. The wages of 77,661 workers in the productive industries amount to a wages-bill of £14,573,441, according to the 1924 Year-book. The wages of workers are used in food, clothing, houses, furniture, and keep production going. Interest goes to a fewer number of citizens, and much of it is used for pleasure. Which source of income is most beneficial to New Zealand?" In the aggregate I assume that wages are. Does Mr. Cooke mean aggregate?

Mr. F. R. Cooke: Yes.

Mr. Williams: I wish to say that I think I, in common with other economists here, have learned a great deal from this Conference. I know manifestly more about the Arbitration Court than before. I would also like to add, if you are looking for real theorists, commend me to the practical men on either side. (*Applause.*)

Report of Business Committee.

Mr. Bishop: I desire to present the report of the Business Committee, which is as follows:—

BUSINESS COMMITTEE.—THURSDAY, 19TH APRIL, 1928.

Present: Messrs. J. Roberts, T. Bloodworth, O. McBrine, H. H. Sterling, C. H. Williams, and T. O. Bishop.

It was decided that each of the committees and sub-committees should elect its own chairman from its members, and that the chairman should not have any casting-vote.

Resolved, That no *Hansard* or press report be taken of committee or sub-committee proceedings.

It was reported that various sub-committees have been selected as follows:—

Primary Industries Committee—Dairy-farming Sub-Committee.—Messrs. W. Bromley, T. O'Byrne, R. Fulton, J. P. Johns, B. Martin, W. Nash, Hon. T. S. Weston, W. J. Polson, G. Finn, J. G. Brechin, and J. G. Middleton.

Primary Industries Committee—Sheep-farming, Agricultural Farming and Freezing Industries Sub-Committee.—Messrs. J. Roberts, A. Cook, H. C. Revell, W. Herbert, A. Parlange, C. Baldwin, J. Churchhouse, W. G. Smith, H. D. Acland, C. H. Williams, W. N. Nicholson, H. S. E. Turner, R. S. Chadwick, and J. Carr.