

have to be taken into account, so that it is a very difficult matter to arrive at a definite conclusion in regard to the fixing of prices. What we want is to increase the output. We are not asking for increased prices. The only hope we have of this Committee doing us good is in the direction of enabling us to make more goods. With regard to the engineering industry, I suggest that the State might help us by assisting us to acquire from abroad the latest information as to modern methods, appliances, and processes, and all that sort of thing. I do not think that can be got by importing experts; I doubt it very much. My own company has tried that without success; but we have got some success by sending our own young men abroad—men who were familiar with the work here—men who will be quick to see what can be picked up, what can be adapted to New Zealand conditions, and then who come back and make their report. We have carried that out ourselves for some years past. With State assistance that system might be very considerably extended and applied. I think that is a matter in which the Department might very well furnish financial assistance. There is another thing: the cost of distribution of goods throughout New Zealand is tremendously high, and not only is it tremendously high, but it is so uncertain that it hampers business to a very considerable extent. Christchurch is, I suppose, the largest manufacturing-centre in the Dominion. We have to send our goods all over New Zealand in competition with imported goods. The importer can land his goods at Auckland or Dunedin or elsewhere, but we have to manufacture them here at a central point and distribute them to all parts of New Zealand. We have to send them by rail and then by ship, and then sometimes they have to be taken by rail again, hampering business very seriously. I think this new Department might establish a distributing-system on the lines of the parcels-post. Such a system if adopted would save an enormous amount of annoyance, and under proper arrangements it might be carried out just as efficiently as the parcels-post. Finally, I suggest, and I think it is a very reasonable suggestion, that so far as local requirements are concerned, the Railways, Post Office, and other Departments should buy locally made goods in preference to imported goods. So far as I know, there is no prejudice against locally made goods; but they do buy through importers a great deal of stuff that might be made here, and I think they should offer inducements, if necessary, for the manufacture of local goods.

*Mr. Hornsby:* Some Departments are antagonistic.

*Mr. Booth:* I am not prepared to make that statement. I will conclude by drawing attention to a statement made by Mr. Gerard in the book "My Four Years in Germany," where he says that much of the success of the Germans was due to the fact that each manufacturer knew that he had the whole weight and power of the Government behind him in his efforts to increase his business. That is what we want. If we get that I think the engineering business in New Zealand ought to go ahead all right.

*To Mr. Hudson.]* The question of the production of iron-ore, I think, is a matter for highly trained specialists. I cannot give an opinion about that. I do not see why the guaranteeing of dividends should not be feasible. There should be as small interference as possible with existing industries, but you can assist without interfering. We are all very much afraid of State interference, and that is largely because it is political; but if such a Department as I have suggested were set up we should not have much fear of it.

*To Mr. Poland.]* Specialization cannot be carried out here to anything like the extent that it is in the United States—for many years to come; but every step in the direction of specialization reduces cost, and ultimately it must reduce prices.

*To Mr. Veitch.]* Labour has already a Court of its own, that defines its conditions. It has all the assistance that the State can give it practically. The State has set up a Court to which labour can appeal to remedy all its grievances. That has not settled the problem; it never will. I do not believe in low wages. I think the more a man earns the more happier he works.

*To Mr. Luke.]* It is a rather curious thing that the powerful trade combinations in America exist side by side with a number of small individual shops. I do not think the powerful combinations deserve the criticisms which have been levelled at them. They have reduced the cost of goods to the consumer enormously, because they are able to conduct their operations on a large scale, and even though their profits may be large that does not matter very much so long as the consumer benefits. I do not suggest that the State should hold stocks; it would take more the place of an indent agent. There is no reason why the system should not apply to the finished article as well as raw products—that is, if the finished article is not produced in New Zealand.

*To Mr. Veitch.]* I would like the Industries Department to be on the same basis as the Department of Agriculture. I am not prepared to support the State undertaking the industries itself. The history and development of manufactures has been that they depend more upon individual initiative than anything else, and I think you might probably lose some of that individual initiative if you made it a State business. I think there is a possibility of State help without State interference. State interference has very great objections. I think State help is free of those objections. I do not see why there should not be direct State contributions.

*To the Chairman.]* I suggest that any tariff alterations be made on the recommendation of the Industries Board. I do not know that I said anything condemning political control. I want the officers to be specially trained in their business. The manufacturers would soon "kick" if the goods ordered were badly bought. I think it is rather straining the point to suggest that the Government might buy badly in the sense that they might be unable to place a very large order to advantage as compared with a small order placed by an individual. It is true that it is impossible for any buyer to accurately estimate how the markets will go. Orders given to the Department would be the same as orders given to an agent.