

in the United Kingdom or in any of the British Dominions, and that in a great many instances locally-made articles are more distinctly British than goods which may be merely designed or partly manufactured in other parts of the Empire. The branding of imported goods as "British-made" is not confined to goods of United Kingdom origin, and so far as a goodwill attaches to such brands New Zealand manufacturers are entitled to benefit equally at least with manufacturers of, say, Canada and Australia.

The manner in which locally-made goods shall be branded is a matter for decision by the individual manufacturers concerned. Whilst the manufacturers' associations may well lay down a policy for general guidance, the individual must weigh all the issues and act on his own judgment. An individual case illustrates this point clearly.

For some years an Auckland firm which has important branches in Great Britain and Australia has manufactured a well-known household line of undoubted quality, and at prices which are competitive with imported goods of the same kind and branded "British-made." During the last year, however, two or three of these productions have been branded "New Zealand-made," the remaining third, at the wish of the distributors, still bearing the brand "British-made." The directors inform the Department that immediately the sales of the remaining third, which represents the highest quality manufactured, reaches a certain point the whole production will be branded with the country of origin despite any representations that may be made by distributors.

The Department feels confident that within a few years manufacturers in the Dominion will be able to rely upon their goods receiving from the public such strong support that there need be no further concealment of the country of manufacture.

#### FOOTWEAR-MANUFACTURING INDUSTRY.

Representations have from time to time during the past few years been made to the Government by those interested in this industry, pointing out that the industry is in a relatively depressed state and is not making the progress which the general development of the Dominion justifies. While importations during recent years have been relatively heavy, and much in excess of what was previously regarded as a normal proportion of the total trade offering, local production has been relatively stationary, and appears to show even a slight decline during the immediate past years.

Requests were made to the Government for an increase in the tariff protection at present afforded to the industry, but after careful consideration this request was not acceded to. Towards the end of 1927 representatives of the industry suggested to the Government an intensive inquiry into the present position in relation to the manufacture and sale of footwear in the Dominion, with the object of determining whether or not any action could be taken to improve the existing position. By direction of the Right Hon. the Prime Minister a Committee has accordingly been set up, consisting of representatives of this and several other Government Departments and of manufacturers throughout the Dominion, to control and carry out investigations along the lines suggested. It is hoped that this thorough inquiry, which is now proceeding, may show clearly the difficulties and weaknesses of the trade as it is at present carried on, and give an indication as to the lines of any action which might possibly be taken either by those in control of the industry or by the Government.

#### COMMERCIAL TRUSTS ACT.

On several occasions during the year it has been necessary to carry out investigations into suggested breaches of this Act, but in no instance have the facts been such as to necessitate legal action. It is perhaps not generally recognized that the scope of this Act is limited to dealings in relation to certain specified products or classes of products, and, moreover, that commercial trusts do not come into conflict with the law unless or until they take action along lines specifically prohibited by the several sections of the Act.

Briefly it may be said that the Act prohibits the giving of concessions, &c., in consideration of exclusive dealing, prohibits refusals to deal if such refusals arise for certain reasons, prohibits sales at unreasonably high prices where such prices have been fixed or influenced in any way by a commercial trust, and provides in general terms against monopolies which are of such a nature as to be contrary to public interest.

While the inquiries made by the Department during the year have not disclosed any offences against this law, it is very evident that the law is having a material influence in affecting the methods of trading adopted in relation to some of the commodities to which the provisions of the Act apply. Any law of this character, designed to prevent monopolistic practices detrimental to public interest, is necessarily framed along lines which would tend to treat as offences some classes of trading activity which are by no means clearly contrary to the general welfare of the community, and as a consequence of these facts it is to some extent possible that the strict and full application of the law might bring about undesirable features in the trade in certain commodities. In some instances careful consideration of the provisions of this Act have satisfied the Department and traders interested that it is possible to achieve certain results in the matter of price-fixation either by methods which would be of doubtful legality or by other more uneconomic systems of trading which could not possibly be assailed as offences against the Commercial Trusts Act. While the Act, therefore, stands as a safeguard against definitely harmful commercial practices, and, as such, exercises a considerable influence over the course of business in relation to the commodities affected, the Act is one which is somewhat difficult to administer without coming into conflict with trading methods which have no substantially objectionable features.

As a general rule, too, both manufacturing and trading enterprises are increasingly experiencing a need for co-operative and combined action, and the growth of combination in the industrial and commercial fields is a marked feature of the economic development of this as of other countries. That