

1909.

NEW ZEALAND.

## INDUSTRIES AND COMMERCE

(EIGHTH ANNUAL REPORT OF THE DEPARTMENT OF).

*Presented to both Houses of the General Assembly by Command of His Excellency.*

The MINISTER OF INDUSTRIES AND COMMERCE to His Excellency the GOVERNOR.

Department of Industries and Commerce, Wellington,

14th August, 1909.

MY LORD,—

I have the honour to submit to Your Excellency the report of the Department of Industries and Commerce for the year ending 31st March, 1909.

I have, &amp;c.,

THOS. MACKENZIE,

Minister of Industries and Commerce.

His Excellency the Governor of New Zealand.

IN presenting my annual report I desire to say that the manner in which the Dominion has won through a year beset with difficult and trying circumstances seems to me to be admirable. The financial depression which had its genesis in the United States in 1907 had far-reaching effects on nearly every avenue of trade throughout the world. The abnormal tightness of money resulted in the closing-down of a very large number of manufacturing industries throughout the United States and Canada, including woollen-mills, cordage-works, varnish and other factories. This depression very soon evidenced itself in a weakened market in America for our wool, hemp, pelts, kauri-gum, &c. It also partially closed the American markets to British exports, as, the tightness of money preventing the Americans from buying as largely as usual; this, of course, reacted on the manufacturing industries of Great Britain, and lessened the buying-power of the people generally, so that our British markets for all the great staple productions were more or less prejudicially affected. When one considers what has been occurring in the trade of those countries on which we depend for the consumption of our wool and other principal products, it is not difficult to understand the reason for the falling off in the values. Observe the depression in trade in the United States of America and Great Britain. The decrease in the United States was no less than £98,627,000 during 1908, while that of the United Kingdom was £89,206,000. New Zealand's total decrease in trade for the same period was £3,583,040. From these figures it will be seen that what has happened in New Zealand is merely a reflex of what has occurred in other countries—in fact, the depression has been worldwide.

The wool-market, which was reported as being hopelessly depressed during the second quarter of the year, showed a splendid recovery during the closing months. As pointed out at that time, the market was statistically strong, the quantity produced being lessened whilst the demand was increasing. Viewing these facts, I had no doubt that as soon as the financial conditions improved in the United States, Canada, Great Britain, and Germany, there must be an improvement in the wool-market. The forecast made has been amply verified during the closing months of last year and since. Statistically the position is as strong to-day as it was a year ago, and with normal conditions in the money-markets of the manufacturing world there is every reason to believe that the good prices recently obtained will be fairly regularly maintained.

Up to the close of the last financial year the New Zealand frozen meat placed on the Home market sold at usual satisfactory prices, but since the close of the year the market has absolutely collapsed. The position is not altogether dissimilar to that of the wool-market last year, in that the quantity now being placed on the British market compared with the consuming population is smaller than it was some years ago. That a glut has occurred appears to me to be largely due to the reduced purchasing-power of the population of Great Britain owing to trade depression, and the want of regulation in placing supplies upon the market, and in a lesser degree to the unsatisfactory methods obtaining regarding