

The foregoing figures will serve to show (a) the relatively high production of local timber during the two years ended March, 1926; (b) the increase in importations, particularly to the North Island; and (c) the falling-off in exports—also essentially a North Island matter—during the past year.

CONCLUSION.

It is evident that during recent years marked changes have been taking place in relation to certain aspects of the Dominion's trade and production.

In commerce the tendency is increasingly towards co-operation between the individual producing and trading interests. This has been particularly noticeable in relation to our export trade, and benefits in matters of transportation and marketing have been secured in respect of several of our main exportable products. This co-operative effort is being extended to other commodities and to other questions, such as scientific research and joint advertising. The field awaiting development is wide, and the possible national gain is appreciable. It is generally conceded, in fact, that increasingly keen competition in the world's markets necessitates the greatest possible improvement and economy in methods of production and marketing, and in the maintenance of high standards of quality.

Internal trade is also, though to a less marked degree, moving towards co-operation and combination. While this tendency is in part defensive, and arises from a desire to avoid the risks and difficulties of keenly competitive conditions, such movements, if wisely and fairly guided, can secure for the general welfare appreciable economies and improvements in distributive methods and machinery.

The manufacturing industries of the Dominion in general continue to show a steady and healthy growth. As the internal demand increases with increasing population, new industries become possible of establishment and the manufacture of other goods increases. Much has been done in recent years by manufacturers' associations and others to bring before the public notice the variety and good quality of New-Zealand-made goods. It is still very evident, however, that in some lines local manufacturers are labouring under the handicap of public prejudice against Dominion-produced articles. In a number of instances manufacturers are forced to brand their goods in such manner as to conceal the fact that they are New-Zealand-made. It is freely stated by retailers that any other course would militate seriously against the sale of the local article, even though quality and price be fully satisfactory. In some instances retailers demand price concessions from manufacturers, on the grounds that they must have a higher selling margin on local than upon imported goods. Manufacturers jointly and collectively are accordingly giving continuous effort to the matter of overcoming these prejudices and difficulties, realizing, too, that they can succeed only if satisfactory standards of quality are maintained. Manufacturers of a number of lines of goods in the Dominion are at present feeling very keenly the free competition of imported goods of relatively low quality. The consuming public necessarily makes price the all-important factor, and, speaking generally, has only an imperfect knowledge of questions of quality in relation to many commodities. Local manufacturers are in many instances not in a satisfactory position to secure the low grade and cheaper raw materials available to overseas makers, and, moreover, being in close contact with their market, the Dominion producers cannot generally afford to place on the market goods of anything but a satisfactory quality. The present slow demand in certain trades and industries, by reducing output, is having the effect of increasing the costs of production in many of our factories, and is consequently still further accentuating the difficulties of New Zealand manufacturers.

His Excellency the Governor-General, when opening the Wellington Industrial Exhibition, stressed the importance of developing our manufacturing industries, and urged the public to assist to this end by buying New-Zealand-made goods. The co-operation of manufacturer, distributor, and purchaser is required in a movement which would undoubtedly beneficially affect the Dominion as a whole.

For the Department of Industries and Commerce :

30th July, 1927.

J. W. COLLINS,
Secretary.

APPENDIX.

MANUFACTURING INDUSTRIES.

Boot and Shoe Industry.

Output : 1925, £1,226,000 ; 1926, £1,197,785. Employees : 1925, 2,475 ; 1926, 2,541.

The number of factories operating during the year ended the 31st March, 1926, was eighty-one, being the same number as the previous year; the number of employees increased by sixty-six; the amount paid in wages and salaries increased by £18,542. The value added in the process of manufacture (value of products, less cost of materials) shows a decline as compared with the previous year, the respective figures being—1925, £628,326; 1926, £607,871. It is interesting to note that of the total value of leather used in process of manufacturing—viz, £492,410—not less than £306,246, or 62 per cent., was manufactured in New Zealand. The number of boots and shoes manufactured was 1,363,690 pairs; the number of slippers, 14,850 pairs; shoe-ettes, 42,833 pairs: being a total of 1,421,373 pairs. These figures show a small decrease as compared with the previous year. Manufacturers report that conditions in the industry have been unsatisfactory during the latter part of the year 1926, and the early months of the present year. Some manufacturers go so far as to state that the position is the worst experienced during the past forty years. It has again to be reported that those factories which have specialized in particular classes of footwear are generally in a better position than those making a wide range of samples.