Iron-production—A Key Industry.

The prediction in the seventh annual report of the Department that "the industry is possessed of great possibilities" has been fully justified. It can be confidently stated that the Onakaka Iron and Steel Co., Ltd., by producing iron of excellent quality, has secured the bulk of the trade of the Dominion.

During the past year further improvements have been carried out at the works at Onakaka. There has been installed a new aerial ropeway from the iron-ore deposit to the works, capable of handling 40 tons per hour, instead of 7 tons; extra crushing plant and ore-washers have been erected, and the blast furnace has been enlarged to give increased production to meet the requirements of a new pipe plant. Extra coking plant has been installed to give tar and gas for use in the pipe plant. The wharf has been lengthened by 100 ft., and also widened 10 ft., now giving a depth of 14 ft. at dead low water. Extra bin capacity has been added both at wharf and works—600 tons and 150 tons respectively—making 1,200 tons capacity at wharf and 450 tons at works. Additional storage capacity has been arranged for iron-ore, coke, and limestone at furnace. Plant for the manufacture of slag wool is being erected, and also a grinding plant to produce oxide of iron for use by gas companies in purifying gas. A hydro-electric plant has been installed, a concrete dam erected, and a pipe-line 4,100 ft. long put in place, with a head of 650 ft. This drives an automatic generating-set. Extra houses have been erected to accommodate forty more men, and additions have been made to offices and laboratory.

One of the problems facing the management was to secure a market for the whole output of pig iron. Whilst New Zealand engineers and founders have given excellent support, it was realized that in the absence of stable export markets it was desirable to ensure a wider use of the iron itself, and with that end in view the new and up-to-date vertical casting plant is being erected to produce cast-iron pipes for water and gas reticulation. Experts for this special class of work have been engaged from England and are now at Onakaka.

This enterprise has undoubtedly had a chequered career, but the faith of the promoters has always been strong in its future prospects. A feeling of optimism now prevails that the initial difficulties have been overcome, and that the large expenditure on improvements and extensions will ensure wider and more profitable sales.

Sauce, Pickle, and Vinegar Making.

Official statistics, year ended 31st March:—

	1926.	1927.	1928.
Establishments (number)	17	20	21
Employees (number)	237	258	278
Wages paid	£46,919	£49,082	£49,616
Value of output	£202,065	£210,779	£217,836
Value added by manufacture	£98,774	£105,096	£113,811
Imports, calendar years:—			
Pickles (gallons)	7,888	2,893	2,552
Value	£4,922	£1,808	£1,698
Sauce and chutney (gallons)	20,859	15,903	17,824
Value	£21,085	£17,055	£16,866
Vinegar (gallons)	31,818	30,820	30,310
Value	£8,666	£8,244	£7,699

This industry shows a further increase in output for the past three years, with imports at approximately the same figure. Internal competition in these lines is very keen, but the present prospects indicate a further satisfactory year. It is remarkable that in a country so suitable for an industry of this kind the sauces, condiments, and pickles from a foreign country should find so much favour.

Soap and Candle Making.

Official statistics, year ended 31st March:—

	1926.	1927.	1928.
Establishments (number)	23	25	24
Employees (number)	460	473	470
Wages paid	£97,916	£98,531	£100,930
Value of output	£538,026	£566,802	£521,172
Value added by manufacture	£256,548	£275,976	£254,294

Last year local manufacturers supplied 84 per cent. of the total requirements of the Dominion in the above lines. It is reported, however, that extreme competition exists in bar soap, which is manufactured almost exclusively in the Dominion. In order to obtain business in this line price-cutting is resorted to, resulting in unpayable prices being obtained. Under present conditions it would appear that the output from producing units is in excess of the requirements. It is not unlikely that some establishments will have to cease operations. In toilet soaps, competition is most keen from overseas manufacturers, and in order to obtain business the local manufacturer is compelled to reduce prices to fine margins.