

1931.
NEW ZEALAND.

DEPARTMENT OF INDUSTRIES AND COMMERCE
(FOURTEENTH ANNUAL REPORT OF THE).

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

YOUR EXCELLENCY,—

Wellington, 10th August, 1931.

I have the honour to submit for your Excellency's information the report of the Department of Industries and Commerce for the past year.

I have, &c.,
P. A. DE LA PERRELLE,
Minister of Industries and Commerce.

His Excellency the Governor-General of the Dominion of New Zealand.

SIR,—

Wellington, 6th August, 1931.

I have the honour to submit the annual report of the Department of Industries and Commerce. Early in 1930 the Department was amalgamated with the Department of Tourist and Health Resorts, but, following previous practice, separate annual reports are submitted. This report deals with the work of the Department since the previous report was placed before Parliament, and covers generally the period ended 30th April, 1931.

I have, &c.,
G. W. CLINKARD, Secretary.

The Hon. P. A. de la Perrelle, Minister of Industries and Commerce.

GENERAL TRADE REVIEW.

THE returns of our overseas trade for the financial year ended 31st March, 1931, adequately reflect the effects of the severe fall in the prices of the principal primary products and the adverse economic conditions which the Dominion has been experiencing for the past eighteen months.

The outstanding features of the overseas trade figures for the year ended 31st March, 1931, are, firstly, a decline of £9,518,033 in the value of our exports, and, secondly, a still greater fall of £10,867,107 in the value of imports, as compared with the figures for the previous financial year. Exports in the respective years totalled £39,527,784 and £49,045,817, while imports in the same two years aggregated £38,300,807 and £49,167,914. The resultant balance of trade for the year ended 31st March, 1931, was thus an excess of exports over imports of £1,226,977. Although not as large as in normal years, this nevertheless compares more than favourably with an excess of imports over exports of £122,097 for the previous financial year. It was not, however, by any means as favourable as was the balance of trade in either of the years ended 31st March, 1928 or 1929, when the figures were £10,542,674 and £12,048,478 respectively.

Wool and butter were the two principal items which contributed to the reduction in the total value of our exports during the last financial year. The value of wool exported fell from £10,610,979 during the year ended 31st March, 1930, to £5,464,228 during the year ended 31st March, 1931—a reduction of £5,146,751. The value of butter exported in the respective periods was £12,022,440 and £10,513,684—a reduction during the year ended 31st March last of £1,508,756. Together, these two items accounted for £6,655,507 of the total sum of £9,518,033 by which the aggregate value of all our exports receded last year.

The figures for the calendar year, with which it is usual for this annual report to deal, similarly show considerable recessions in values of both exports and imports during 1930 as compared with the figures for 1929. In spite of the fact that fairly substantial increases in the volume of exports occurred in some lines of produce, particularly butter and frozen meat, the total value of all products only reached £44,940,692 during the calendar year 1930, as compared with £55,579,063 in 1929—a reduction of £10,638,371. Imports during the year ended 31st December, 1930, totalled £43,025,914, as compared with £48,797,977 in the preceding year—a reduction of £5,772,063.

The net result for the year was therefore an excess of exports over imports of £1,914,778, which compared with an excess of exports of £6,781,086 for 1929. In other words, the visible trade balance as at the 31st December, 1930, showed a drift of £4,866,308 as compared with that disclosed at the same date in the previous year.

To summarize the position, and to enable a comparison to be made with previous years, the following table sets out for each of the last ten years the value of our exports, imports, total external trade, and trade balance.

Year ended 31st December,	Exports.	Imports.	Total External Trade.	Excess of	
				Exports.	Imports.
	£	£	£	£	£
1921	44,828,827	42,942,443	87,771,270	1,886,384	..
1922	42,726,249	35,012,561	77,738,810	7,713,688	..
1923	45,967,165	43,378,493	89,345,658	2,588,672	..
1924	52,612,711	48,527,603	101,140,314	4,085,108	..
1925	55,262,272	52,456,407	107,718,679	2,805,865	..
1926	45,275,575	49,889,563	95,165,138	..	4,613,988
1927	48,496,354	44,782,946	93,279,300	3,713,408	..
1928	56,188,481	44,886,266	101,074,747	11,302,215	..
1929	55,579,063	48,797,977	104,377,040	6,781,086	..
1930	44,940,692	43,025,914	87,966,606	1,914,778	..

EXPORTS.

The table below sets out the quantities and values of the principal commodities exported from New Zealand in each of the calendar years 1929 and 1930.

Item.				1930.		1929.	
				Quantity.	Value.	Quantity.	Value.
					£		£
Butter .. ..	..	..	Cwt.	1,884,237	11,854,056	1,653,807	13,228,027
Cheese .. ..	..	..	..	1,812,981	6,438,438	1,779,093	7,017,463
Beef, frozen ..	..	..	..	345,437	586,523	328,508	534,529
Lamb, frozen ..	..	..	..	2,145,651	7,200,863	1,849,397	6,786,053
Mutton, frozen ..	..	..	..	1,259,951	2,365,709	879,457	1,790,628
Hides and calf-skins ..	..	..	No.	947,766	510,683	958,719	677,925
Rabbit-skins .. ..	..	..	..	7,206,992	142,249	9,122,917	361,949
Pelts .. ..	..	..	..	9,477,561	1,190,718	8,559,739	1,423,606
Wool .. ..	..	..	Bales	581,225	7,664,362	688,642	15,359,206
Tallow .. ..	..	..	Tons	24,628	683,571	20,832	693,614
Kauri-gum .. ..	..	..	..	3,818	189,635	4,937	267,610
Gold .. ..	..	..	Oz.	133,849	550,678	116,848	480,212
Sausage-skins .. ..	..	..	lb.	4,483,019	780,073	3,677,965	653,033
Other items .. ..	..	..	..	..	4,733,134	..	6,305,208
Total exports .. ..	..	..	..	..	44,940,692	..	55,579,063

Increased quantities of all the items enumerated in the table, except hides and calf-skins, rabbit-skins, wool, and kauri-gum, were shipped in 1930 as compared with 1929, while increased values were recorded as well in the case of frozen beef, frozen lamb, frozen mutton, gold, and sausage-skins. Substantial reductions of £7,694,844 and £1,373,971 were recorded in the values of exports of wool and butter respectively, the recession in the value of the latter item occurring in spite of a considerable increase in quantities shipped.

Information concerning the direction of our export trade is disclosed by the table which follows, the figures being shown for the last four years :—

Value of New Zealand's Exports according to Country of Destination, 1927-30.

—	1927.	1928.	1929.	1930.
British Possessions, Protectorates, &c.—	£	£	£	£
United Kingdom	36,877,887	40,510,075	40,956,706	36,028,715
Australia	3,665,962	3,402,655	2,338,574	1,547,953
Canada	1,666,598	2,469,150	3,353,975	2,539,206
All other British countries	551,130	873,783	809,750	760,959
	42,761,577	47,255,663	47,459,005	40,876,833
Foreign Countries and Possessions—				
United States of America	2,681,091	4,260,315	3,653,327	2,116,752
France	1,008,291	1,800,897	1,768,399	519,727
Germany	1,139,654	1,290,071	1,220,899	401,084
All other foreign countries	905,741	1,581,535	1,477,433	1,026,296
	5,734,777	8,932,818	8,120,058	4,063,859
Totals, all countries	48,496,354	56,188,481	55,579,063	44,940,692

Exports to British countries during 1930 showed a recession of £6,582,172 as compared with the 1929 figures, while exports to foreign countries showed a reduction of £4,056,199. In 1930 91·0 per cent. of total exports was shipped to British countries and 9·0 per cent. to foreign countries, whereas in 1929 the figures were 85·4 per cent. and 14·6 per cent. respectively.

The percentages of total exports shipped to each of the principal countries trading with the Dominion during the last four calendar years are shown in the following table :—

—	1927.	1928.	1929.	1930.
	Per Cent.	Per Cent.	Per Cent.	Per Cent.
United Kingdom	76·04	72·09	73·69	80·17
United States of America	5·53	7·58	6·57	4·71
Australia	7·56	6·05	4·21	3·45
Canada	3·44	4·39	6·03	5·65
France	2·08	3·20	3·18	1·15
Germany	2·35	2·30	2·20	0·89
Belgium	0·34	0·54	0·45	0·44
Japan	0·52	1·17	0·77	0·35

The proportion of total trade conducted with the United Kingdom has steadily risen during the last three years, and in 1930 represented 80·17 per cent. of the whole. The United States, which in 1928 and 1929 had occupied the second place of importance in so far as our export trade was concerned, was supplanted by Canada in 1930. In the case of the United States the percentage fell from 7·58 in 1928 to 6·57 per cent. in 1929, and then declined still further to 4·71 per cent. in 1930. The proportion of total trade conducted with Canada, on the other hand, rose from 4·39 per cent. in 1928 to 6·03 per cent. in 1929, and then receded to 5·65 per cent. in 1930. Trade with Australia has shown a steady decline during the last four years, the percentage falling from 7·56 in 1927 to 3·45 in 1930.

IMPORTS.

As previously mentioned, imports aggregated £43,025,914 during the year ended 31st December, 1930, as compared with £48,797,977 in the preceding year. The table which follows shows the principal items imported during the two years.

Item.	1930.		1929.	
	Quantity.	Value.	Quantity.	Value.
		£		£
Wheat Centals	168,088	77,235	152,695	77,555
Sugar Cwt.	1,772,885	757,027	1,447,221	766,979
Tea Lb.	10,141,031	708,095	12,060,840	935,373
Whisky Gal.	432,809	457,015	510,756	558,270
Cigarettes Lb.	874,487	395,285	1,178,786	575,738
Tobacco „	3,919,857	734,406	3,531,168	751,331
Apparel .. ..	..	2,893,782	..	3,123,490
Boots and shoes Doz. pr.	247,964	928,685	267,706	1,066,087
Carpets and linoleum .. ..	..	578,718	..	650,389
Drapery n.e.i. .. ..	..	363,634	..	452,022
Cotton piece-goods .. ..	..	1,817,552	..	1,946,819
Silk piece-goods .. ..	..	1,020,721	..	1,212,028
Woollen piece-goods .. ..	..	622,256	..	742,649
Petrol and kerosene Gal.	74,621,778	2,264,754	69,596,648	2,349,305
Coal Tons	157,943	200,419	215,656	276,671
Hardware n.e.i. .. ..	..	863,056	..	903,720
Electrical equipment .. ..	..	2,183,324	..	2,012,498
Timber .. ..	..	917,335	..	790,183
Motor-vehicles No.	17,278	2,448,781	29,156	4,278,720
Tires for motor-vehicles .. ..	..	809,701	..	1,162,841
Other imports .. ..	..	21,984,133	..	24,165,309
Total imports .. ..	..	43,025,914	..	48,797,977

It will be observed that decreases occurred in the values of the various items imported, with very few exceptions. The number of motor-vehicles imported decreased from 29,156 in 1929 to 17,278 in 1930, a reduction of 11,878. The value of this item declined by £1,829,939—from £4,278,720 in 1929 to £2,448,781 in 1930. Petrol and kerosene decreased by £84,551, although 5,025,130 more gallons were imported. Other important decreases worthy of note are tea (£227,278), whisky (£101,255), cigarettes (£180,453), apparel (£229,708), boots and shoes (£137,402), cotton piece-goods (£129,267), silk piece-goods (£191,307), woollen piece-goods (£120,393), and tires for motor-vehicles (£353,140).

The table which follows classifies the values of importations into New Zealand during the last four years according to the countries of origin.

Value of New Zealand's Imports according to Country of Origin, 1927-30.

	1927.	1928.	1929.	1930.
	£	£	£	£
British Possessions, Protectorates, &c.				
United Kingdom	21,464,114	21,289,275	22,565,436	20,329,807
India and Ceylon	1,614,877	1,643,030	1,690,504	1,342,194
South African Union	122,597	104,043	100,988	91,942
Canada	2,739,826	3,258,828	4,792,820	3,802,545
Australia	3,869,246	3,499,151	3,258,727	3,308,947
Fiji	424,785	571,728	174,894	200,877
All other British countries	482,116	444,134	511,600	510,809
	30,717,561	30,810,189	33,094,969	29,587,121
Foreign Countries and Possessions—				
United States of America	8,079,467	8,204,197	9,319,926	7,571,460
France	891,277	820,592	727,388	608,076
Germany	837,777	898,901	940,863	975,618
Dutch East Indies	882,590	999,524	1,152,705	811,372
Japan	591,963	576,495	625,714	565,237
All other foreign countries	2,782,311	2,576,368	2,936,412	2,907,030
	14,065,385	14,076,077	15,703,008	13,438,793
Totals, all countries	44,782,946	44,886,266	48,797,977	43,025,914

Imports from all British countries declined by £3,507,848 in 1930 as compared with 1929, and imports from foreign sources by £2,264,215. Imports from British countries in 1930 represented 68·8 per cent. of total imports as compared with 67·8 per cent. in 1929, while imports from foreign sources represented 31·2 per cent. and 32·2 per cent. in 1930 and 1929 respectively.

In the table given below the percentages of total imports claimed by each of the principal countries trading with New Zealand are shown for the same four years.

	1927.	1928.	1929.	1930.
	Per Cent.	Per Cent.	Per Cent.	Per Cent.
United Kingdom	47·93	47·43	46·25	47·27
United States of America	18·04	18·28	19·10	17·60
Australia	8·64	7·79	6·68	7·69
Canada	6·12	7·26	9·81	8·84
India and Ceylon	3·61	3·66	3·45	3·12
South African Union	0·27	0·23	0·21	0·21
Fiji	0·95	1·27	0·36	0·47
France	1·90	1·83	1·49	1·41
Germany	1·87	2·00	1·93	2·27
Japan	1·27	1·28	1·28	1·31
Dutch East Indies	1·89	2·23	2·36	1·88

Proportionate increases in imports from the United Kingdom and Australia and decreases in respect of the United States and Canada are the principal features exhibited by the above table.

BANKING RETURNS.

The banking returns for the quarter ended 31st March reveal a position less favourable than at the corresponding date in any of the three previous years. In spite of this, however, they are not as unfavourable as they might be under the circumstances and probably would have been had the banks not taken timely steps to protect their resources as soon as the earlier effects of the depression began to make themselves felt.

Deposits for the quarter ended 31st March, 1931, were £51,251,939, as compared with £54,003,241 for the corresponding quarter of 1930—a reduction of £2,751,302. Advances, on the other hand, increased from £53,676,778 for the quarter ended 31st March, 1930, to £54,332,234 for the March quarter of the current year—an increase of £655,456. The net result for the quarter ended 31st March, 1931, is consequently an excess of advances over deposits of £3,080,295.

The relation of deposits to advances for the quarter ended 31st March in each of the last ten years is shown by the following table:—

Quarter ended 31st March,	Deposits.	Advances.	Excess of	
			Deposits.	Advances.
	£	£	£	£
1922	40,360,390	46,491,316	..	6,130,926
1923	43,465,816	42,521,571	944,245	..
1924	47,033,292	44,403,524	2,629,768	..
1925	49,897,228	43,730,262	6,166,966	..
1926	47,302,480	48,285,142	..	982,662
1927	45,528,812	50,800,808	..	5,271,996
1928	49,958,295	46,070,370	3,887,925	..
1929	55,345,495	46,359,744	8,985,751	..
1930	54,003,241	53,676,778	326,463	..
1931	51,251,939	54,332,234	..	3,080,295

The reduction of £2,751,302 in deposits comprised a decrease of £5,575,969 in free deposits, less an increase of £2,824,667 in fixed deposits.

The continued increase in fixed deposits is shown in the following table:—

Quarter ended 31st March,	Free Deposits.	Fixed Deposits.	Total.
	£	£	£
1926	26,865,851	20,436,629	47,302,480
1927	24,440,778	21,088,034	45,528,812
1928	24,482,151	25,476,144	49,958,295
1929	25,736,743	29,608,752	55,345,495
1930	23,905,822	30,097,419	54,003,241
1931	18,329,853	32,922,086	51,251,939

The relative movements of these two classes of deposits during the given period may perhaps be further indicated by expressing the figures as percentages of total deposits. These are shown below :—

Quarter ended 31st March,						Free Deposits (Percentage of Total Deposits).	Fixed Deposits (Percentage of Total Deposits).
1926	..	..	..	..	..	57	43
1927	..	..	..	..	..	54	46
1928	..	..	..	..	..	49	51
1929	..	..	..	..	..	47	53
1930	..	..	..	..	..	44	56
1931	..	..	..	..	..	36	64

Deposits shown above do not include Government deposits, which during the quarter ended 31st March, 1931, amounted to £2,889,126, as compared with £3,466,086 for the corresponding quarter of the preceding year.

Advances aggregating £54,332,234 for the March quarter of the current year comprised ordinary advances to the value of £53,264,390 and notes and bills discounted amounting to £1,067,844. In the March quarter of 1930 ordinary advances aggregated £52,447,136, and notes and bills discounted £1,229,642. Ordinary advances thus showed an increase of £817,254 during the March quarter of 1931, and discounts a decrease of £161,798.

The average notes in circulation during the quarter ended 31st March, 1931, amounted to £5,802,262, as compared with £6,417,039 for the corresponding period of 1930, while coin and bullion totalled £6,955,422 and £6,648,839 in the respective periods.

Like the returns of the six trading banks in New Zealand, the returns of the Post Office Savings-bank also reflect the effects of the prevailing economic depression and the consequent reduction in the purchasing-power of the community.

For the year ended 31st March, 1931, deposits amounted to £24,531,569 and withdrawals to £28,063,338, thus producing an excess of withdrawals totalling £3,531,769. This compares with an excess of withdrawals aggregating £1,014,139 for the year ended 31st March, 1930, deposits in that year totalling £28,561,855 and withdrawals £29,575,994. The decrease in deposits and withdrawals respectively during the year ended 31st March, 1931, as compared with the previous year were therefore £4,030,286 and £1,512,656.

The estimated balance at the credit of depositors at the 31st March, 1931, including estimated interest, was £47,654,721, which compared with £49,405,078, £48,637,166, and £47,758,726 for the three previous financial years respectively.

TRADE WITH THE UNITED KINGDOM.

Our trade with the United Kingdom for the calendar year 1930 naturally shows a considerable recession as compared with the previous year. Exports to the United Kingdom totalled £36,028,715, and imports from the United Kingdom £20,329,807. The corresponding figures for the year ended 31st December, 1929, were—Exports, £40,956,706, and imports, £22,565,436.

It is of particular interest and importance to note that, although the absolute value of exports to the United Kingdom declined last year, the proportion of total export trade conducted with that country showed a substantial increase. In 1929 73·69 per cent. of the total value of all exports was shipped to the United Kingdom, whereas in 1930 the percentage was 80·17.

In 1929 imports from the United Kingdom represented 46·25 per cent. of the total value of imports from all sources. In 1930 this percentage had increased to 47·27.

It is satisfactory indeed to be able to point to such substantial increases in the proportion of our trade conducted with the Home-land. The loss of an outlet for our butter in Canada has drawn special attention to our dependence upon the United Kingdom as our best and surest market.

TRADE WITH AUSTRALIA.

The adverse economic conditions that have been so much in evidence in Australia during the past year or so have seriously affected the volume and value of our export trade to the Commonwealth. The value of exports for the year ended 31st December, 1930, was £1,547,953, as compared with £2,338,574 for the previous year. Indeed, the value last year was the lowest recorded since 1917.

Imports, on the other hand, showed an increase as compared with 1929, the figures being £3,308,947 and £3,258,727 in 1930 and 1929 respectively. The increase in 1930 is due partly to the fact that during that year gold to the value of £250,000 was exported to New Zealand, and partly to the fact that the rates of exchange between New Zealand and Australia have been favourable to export business from the latter country.

The values of exports, imports, and total trade in each of the last five years are set out below :—

Year ended 31st December,		Exports to Australia.	Imports from Australia.	Total Trade.
		£	£	£
1926	.. ..	3,054,433	4,625,200	7,679,633
1927	.. ..	3,665,962	3,869,246	7,535,208
1928	.. ..	3,402,655	3,499,151	6,901,806
1929	.. ..	2,338,574	3,258,727	5,597,301
1930	.. ..	1,547,953	3,308,947	4,856,900

Exports to Australia in 1930 represented only 3·45 per cent. of the value of total exports to all countries, while imports from Australia, on the other hand, represented 7·69 per cent. of the total value of imports from all sources.

Conditions in Australia, necessitating the drastic curtailment of both national and private expenditure right throughout the Commonwealth, have unfortunately largely rendered nugatory any efforts made in the direction of trade-development. The Trade and Tourist Commissioner for New Zealand in Australia reports that there has been little demand for our products, and, in fact, for the products of any country, this being realized, perhaps, when it is mentioned that the decrease in the total value of imports into Australia in 1930 from all sources was approximately £51,000,000.

Nevertheless, every effort has been made by the Commissioner to increase the sales of our principal exportable products, and it is confidently expected that such efforts will bear fruit as soon as economic conditions in Australia begin to improve. From time to time reports upon the prospects of increasing our trade in various lines have been furnished by the Commissioner to the Department. These relate to such commodities as New Zealand tobacco, *Phormium tenax*, deer-skins, timber, and fish.

The Department has been kept regularly advised of current market quotations in Australia for the principal lines of produce, and particularly of wheat and flour. Reports and information relating to other phases of industry and commerce have also been regularly submitted to the Department. Wherever possible, exporters and importers in New Zealand have been put in touch with buyers and sellers in Australia of a number of products.

TRADE WITH CANADA.

The value of our trade with Canada for 1930 shows a considerable recession as compared with 1929. Exports during 1930 totalled £2,539,206 as against £3,353,975 in the previous year, while imports were valued at £3,802,545 in 1930 as compared with £4,792,820 for 1929. In spite of the reductions in the value of our export trade with Canada in 1930 that country rose to the second position of importance as a purchaser of our principal exportable products, ranking next to the United Kingdom, but nevertheless a long way behind. The United States, which had previously occupied second position, was displaced to third position.

The figures of exports to and imports from Canada for the past five calendar years are shown below :—

—					Exports.	Imports.	Total Trade.
					£	£	£
1926	..	..	..	..	861,717	3,431,533	4,293,250
1927	..	..	..	..	1,666,598	2,739,826	4,406,424
1928	..	..	..	..	2,469,150	3,258,828	5,727,978
1929	..	..	..	..	3,353,975	4,792,820	8,146,795
1930	..	..	..	..	2,539,206	3,802,545	6,341,751

The balance of trade for 1930 is again considerably in favour of our sister Dominion.

During the past year the Canadian Government gave notice of the cancellation of the Trade Treaty to which New Zealand had been a party since 1926, and notified the New Zealand Government that the duty on our principal item of export—butter—was to be increased from 1 cent to 4 cents per pound.

Subsequently the rate of duty was raised to 8 cents per pound, this being effective against New Zealand as from the 12th October, 1930. Other main items in which New Zealand had gained a satisfactory footing were also seriously affected by increased duties. The position as far as Australia was concerned was, however, left unchanged pending the negotiation of a new treaty.

The adverse effects of the new increased duties may be readily demonstrated by reference to the figures of the shipments of butter from New Zealand to Canada during the current season and during the preceding season. For the first nine months of the current season—that is, for the period from the 1st August, 1930, to the 30th April, 1931—1,489 tons of butter were shipped, as against 18,104 tons during the same period of the 1929–30 season. During the present northern summer butter-production in Canada has increased, due largely, no doubt, to low grain-prices, and under existing circumstances Canada is actually an exporter of butter.

The world-wide depression has also naturally adversely affected the volume and value of our trade with Canada, as with other countries.

Attention has been given by the New Zealand Trade Commissioner in Canada to the development of our trade in meat. In view of the recent recession in price in New Zealand, efforts have been made to find a market for the finer qualities of lamb, and also for the lighter weights of mutton. Some success has already been achieved in regard to sales of lamb, the first parcel to arrive being found eminently satisfactory in respect to quality. New sources of trade are being exploited in both Montreal and Toronto, and, aided with samples and the reports of the New Zealand Meat-producers Board, it is confidently expected that the business will steadily grow.

In regard to raw wool the Commissioner reports that prospects for increased trade with Canada appear to be good, providing no tariff-changes are made. The qualities of New Zealand wools mainly in demand in Canada are the crossbred 40's to 50's and the half-bred 56's to 58's; also lambs, of which quite a reasonable quantity has recently been sold. Crutchings should also be in demand later in the year, preferably in the scoured state. The demand for combings is small. Large quantities of New Zealand wool are sold in a partially manufactured form to Canada from Bradford (England) and from Boston (U.S.A.).

The market for hides and skins both in Canada and the United States has been fully explored, and every effort made to induce sales.

In recent years trade with Canada in seeds has been far from satisfactory, principally owing to severe competition and extraordinarily low quotations from foreign countries. The trade is now, however, showing some improvement, and it has been possible to induce renewed interest in New Zealand grass-seeds. Efforts are being made to arrange sales, particularly in grass suitable for pastures, lawns, and golf-links, and when economic conditions improve it is hoped that the trade in these lines will show a very definite improvement.

Toheroa soup is now being sold in retail stores and in one of the best chain restaurants in Canada. It is anticipated by the Commissioner that a demand from leading hotels and clubs will follow, and that a response from the public will fully establish this product on the Canadian market.

For high-class jams and preserves, such as New Zealand produces, a market cannot be secured at the present time as similar industries are well established in Canada and can more than supply domestic requirements. When supplies of tinned pears and apricots are available from New Zealand in exportable quantities there should be a market in Canada, as considerable supplies of these tinned fruits are imported annually. Australia has achieved some measure of success in the sale of canned fruit, but the prices are fine and competition is very keen.

Every effort has been made by the Commissioner to establish a market in Canada for certain products of the New Zealand woollen-mills, and the results were most encouraging so far as woollen rugs and floor-rugs were concerned. Unfortunately drastic increases in the Canadian tariff have now made business in these lines impossible.

Despite the decided setback occasioned by the cancellation of the application of the Trade Agreement to New Zealand and by the high duty against butter, it is hoped that business in many primary products will improve. Our future bulk trade with Canada, assuming the existence of satisfactory tariff arrangements, appears to lie in sales of butter, wool, casings, hides, sheep-skins, pelts, and meat—particularly lamb. Limited and variable markets exist for such commodities as fresh apples, hemp, frozen beef, casein, eggs, onions, peas, seeds, dried and preserved milk, and kauri-gum.

ISLAND TRADE.

Fiji.

Exports from New Zealand to Fiji in 1930 were valued at £110,033, as compared with £135,652 in 1929. Imports into the Dominion from Fiji, on the other hand, showed an increase in 1930 as compared with 1929, the figures being £200,877 and £174,894 respectively in the two years.

The values of exports and imports in each of the last five years are set out below for comparative purposes :—

Year ended 31st December,					Exports to Fiji. £	Imports from Fiji. £
1926	..	..	..	..	152,323	892,894
1927	..	..	..	..	120,202	424,785
1928	..	..	..	..	138,706	571,728
1929	..	..	..	..	135,652	174,894
1930	..	..	..	..	110,033	200,877

Imports from Fiji consist almost entirely of sugar and fresh fruits, the values of these items in 1930 being £141,626 and £49,931 respectively. These two items together constituted 95·4 per cent. of the value of total imports from Fiji in 1930.

Imports of sugar into New Zealand from Fiji showed a considerable increase in 1930 as compared with 1929, the values in the two years being £141,626 and £64,177. Fresh fruits, on the other hand, showed a substantial decline, the values being £49,931 in 1930 as against £101,655 in 1929. The values of fruit crops during the 1930 season have doubtless been adversely affected by the hurricanes which have occurred during the last year or so. Bananas are the chief item included under the heading of fresh fruits, imports from Fiji being valued at £97,232 in 1929 and £45,856 in 1930.

The fluctuations in the values of the two main items may be seen in the following table, covering the last five years :—

IMPORTS INTO NEW ZEALAND FROM FIJI.

Year ended 31st December,					Sugar. £	Fresh Fruits. £
1926	..	..	..	..	737,320	145,753
1927	..	..	..	..	270,992	144,730
1928	..	..	..	..	425,733	135,970
1929	..	..	..	..	64,177	101,655
1930	..	..	..	..	141,626	49,931

Tonga.

The value of our exports to Tonga in 1930 was £47,958 as compared with £58,599 in 1929—a reduction of £10,641. The value of our imports from Tonga is insignificant each year, owing to the fact that the export trade of that Kingdom is essentially confined to copra, a commodity which does not enter into New Zealand's import trade. Imports into Tonga from various sources consist principally of drapery, hardware, flour, tinned meats, sugar, kerosene, benzine, timber, and gunny bags.

The following table shows the values of exports to Tonga from New Zealand and imports into New Zealand of goods of Tongan origin in each of the last five calendar years :—

					Exports. £	Imports. £
1926	..	..	..	..	67,765	36
1927	..	..	..	..	68,155	79
1928	..	..	..	..	86,695	14
1929	..	..	..	..	58,599	138
1930	..	..	..	..	47,958	19

Western Samoa.

The values of imports, exports, and total trade of the Territory of Western Samoa for the last five years are shown in the following table:—

Year ended 31st December,					Imports.	Exports.	Total Trade.
					£	£	£
1926	..	..	..	..	324,940	320,783	645,723
1927	..	..	..	..	304,369	335,978	640,347
1928	..	..	..	..	326,553	422,175	748,728
1929	..	..	..	..	288,849	293,938	582,787
1930	..	..	..	..	275,355	284,515	559,870

Of the total importations, aggregating £275,355 in 1930, £265,961 worth, or 96·6 per cent., was derived from the following six countries, enumerated in their order of importance: New Zealand, £81,388; Australia, £58,653; United States, £54,369; United Kingdom, £47,183; Canada, £15,035; Fiji, £9,333. Imports covered a wide range of commodities.

Various European countries (exact destination unknown) and the United States absorbed the bulk of the exports of Western Samoa, the values of commodities shipped to these destinations in 1930 being £111,261 and £108,850 respectively. Next in importance was New Zealand, which purchased products to the value of £47,986, and then the United Kingdom, which absorbed goods valued at £10,199. The recorded value of products shipped to these four destinations was £278,296, which represented 97·8 per cent. of the total value of all exports.

Exports to New Zealand consisted almost entirely of bananas (£44,259) and cocoa-beans (£2,035).

The quantities and values of the principal exports of Western Samoa during the last five years are shown below:—

Year ended 31st December,				Cocoa.		Copra.		Rubber.		Bananas.	
				Tons.	Value.	Tons.	Value.	Tons.	Value.	Cases.	Value.
					£		£		£		£
1926	..	..	..	356	20,151	12,249	275,086	33½	6,702	..	..
1927	..	..	..	792	48,216	11,665	242,672	158	24,802	..	..
1928	..	..	..	959	69,507	15,989	319,259	167	17,268	..	..
1929	..	..	..	677	46,286	12,941	205,330	110	9,613	53,652	24,640
1930	..	..	..	1,007	61,294	12,285	166,221	101	6,461	95,867	44,259

Cook and Niue Islands.

Exports from the Cook and Niue Islands in 1930 were valued at £125,315, as compared with £146,692 in 1929; while imports into these islands in 1930 aggregated £122,098, as against £125,942 in the previous year. The figures for each of the last five calendar years are as under:—

Year.			Exports.			Imports.		
			Cook Islands.	Niue Island.	Total.	Cook Islands.	Niue Island.	Total.
			£	£	£	£	£	£
1926	..	..	138,588	17,655	156,243	134,473	17,563	152,036
1927	..	..	138,357	14,350	152,707	116,606	14,006	130,612
1928	..	..	133,051	20,938	153,989	117,639	18,637	136,276
1929	..	..	124,486	22,206	146,692	106,835	19,107	125,942
1930	..	..	109,438	15,877	125,315	103,468	18,630	122,098

Most of the trade of this group of islands is conducted with New Zealand. The United States has stepped into the second position of importance in recent years, but a considerable distance behind New Zealand, and the United Kingdom ranks third in importance.

Exports from the Cook Islands to New Zealand in 1930 were valued at £85,956, and from Niue £13,323. In the same year imports into the Cook Islands from New Zealand totalled £69,976, and into Niue £14,863. The total trade of New Zealand with the Group in 1930, therefore, amounted to £184,118 out of a total trade of £247,413, or approximately 74 per cent.

The principal exports from the Lower Group are oranges, bananas, tomatoes, and copra; from the Northern Group, copra and pearl-shell; and from Niue, copra, bananas, and the well-known Niuean hats and fancy baskets.

TRADE WITH THE UNITED STATES.

The value of our exports to the United States for the year ended 31st December, 1930, was £2,116,752, as compared with £3,653,327 for the previous year—a reduction of £1,536,575. Imports aggregated £7,571,460, as compared with £9,319,926 for the year ended 31st December, 1929—a reduction during 1930 of £1,748,466. The value of our export and import trade in each of the last five years, and also its importance relatively to total export and import trade, is shown in the table which follows:—

Year.				Exports.	Per Cent. of Total Exports.	Imports.	Per Cent. of Total Imports.
				£		£	
1926	..	..	..	3,818,232	8.43	10,000,507	20.05
1927	..	..	..	2,681,091	5.53	8,079,467	18.04
1928	..	..	..	4,260,315	7.58	8,204,197	18.28
1929	..	..	..	3,653,327	6.57	9,319,926	19.10
1930	..	..	..	2,116,752	4.71	7,571,460	17.60

Not only has the relative value of our exports to the United States declined in recent years, but the absolute value has also declined substantially. This is clearly indicated by the table which is given below, showing the values of the principal items exported from the Dominion to the United States during the last three calendar years.

				1928.	1929.	1930.
				£	£	£
Hides, pelts, and skins	..	..	..	1,874,226	1,650,976	1,057,715
Sausage casings and skins	..	..	..	272,616	262,559	331,627
Wool	..	..	..	701,730	656,656	267,720
<i>Phormium tenax</i>	..	..	..	96,291	138,776	83,255
Kauri-gum	..	..	..	141,845	129,432	69,496
Grass and clover seeds	..	..	..	69,986	76,568	66,905
Frozen beef	..	..	..	358,345	242,972	15,659
Frozen mutton	..	..	..	14,210	13,391	..
Tallow	..	..	..	19,554	23,086	9,505
Butter	..	..	..	328,140	75,955	108
Cheese	..	..	..	24,508	14,829	13
Casein	..	..	..	3,739	324	111

As far as imports are concerned, the most important decrease occurred in regard to motor-vehicles and materials and parts for same. The recorded-value of this item in 1929 was £2,054,782, whereas in 1930 it only amounted to £839,356, a reduction of £1,215,426.

TRADE WITH THE EAST.

In accordance with a decision of the Government made some months ago, the New Zealand Trade and Tourist Commissioner in Australia left Sydney on the 23rd May last for the Dutch East Indies and Singapore for the purpose of ascertaining on behalf of the Government the prospects of marketing the products of this Dominion in the East, and also the prospects of developing tourist traffic between those countries and New Zealand.

There should be no insurmountable obstacle to a development of the markets both in the Dutch East Indies and Singapore for such of our exportable products as are required in those territories. The absence of a direct steamer service is a decided disadvantage, but this is a handicap that would probably be removed if the volume of our trade with those portions of the East could be developed to sufficiently large dimensions to warrant the inauguration of improved regular shipping facilities.

The value of our imports from those countries annually exceeds by a large margin the value of our exports. In 1929 and 1930, for instance, the values of exports from New Zealand to the Dutch East Indies were £19,191 and £13,029 respectively, while the values of imports into New Zealand from that source in the same years were £1,152,705 and £811,372 respectively. Butter was the principal item exported in each year, this being valued at £8,808 in 1929 and £6,530 in 1930.

The values of exports from New Zealand to the Straits Settlements (Singapore and Penang Islands, &c.) in 1929 and 1930 were £26,556 and £20,360. Imports into New Zealand from that source in the same two years aggregated £103,782 and £57,996. Here again butter was the principal item exported, the value recorded being £18,035 in 1929 and £16,778 in 1930. Dried, preserved, and condensed milk and cream was next in importance, being valued at £5,707 in 1929 and £2,114 in 1930.

It is obvious that a balance of trade more favourable to New Zealand than at present is highly desirable.

Amongst the commodities which it is hoped to market in increasing quantities in the East are butter; casein; dried, preserved and condensed milk; cheese; honey; and fruit. Our present sales of such products to the East are comparatively insignificant, but it is hoped that by carefully ascertaining market requirements, and by paying strict attention to such matters as packing, branding, and advertising appropriate to the East, New Zealand may be able to find in that part of the world an increasingly valuable outlet for her principal exportable products.

In addition to inquiring into and reporting upon trade matters, the representative will also investigate and report upon the prospects of the development of tourist traffic from the Dutch East Indies and Malay States to New Zealand. The matter of the appointment of suitable agents in the various centres of population will receive consideration, as well as the question of the types of publicity material which is best suited to the characteristics of the countries and of the people.

EXTENSION OF MARKETS OVERSEAS.

The question of the need for widening the markets for New Zealand's exportable products has continued to receive the close attention of the Department. In this connection the services of the Government representatives and honorary agents and correspondents of the Department in various parts of the world whose activities are controlled by the Department have been of assistance on innumerable occasions.

The services of the New Zealand Trade and Tourist Commissioners in Canada and Australia, two officers of the Department abroad engaged primarily in trade and tourist development work, must particularly be mentioned in this connection. Their services have been extensively availed of by the Department and by the commercial community both in New Zealand and overseas, and they have made every effort during the past year to increase the export trade of the Dominion with the countries in which they are located, and to further tourist traffic between those countries and New Zealand.

The Department has interested itself actively in the question of the development of New Zealand's export trade with the East, particularly China and Japan. To that end the preliminary report on the subject issued in September, 1929, was supplemented in July, 1930, by a more detailed report compiled by Professor H. Belshaw from information obtained by him as a result of inquiries made during his visit to Japan in October, 1929. This report was issued, as usual, in bulletin form to Chambers of Commerce, manufacturers' associations, and exporters and merchants generally. With the recent establishment of a direct shipping service between New Zealand and Japanese ports it is hoped that the information made available by the Department will be of assistance in bringing about a development of our trade with the East.

During the last few months the Department has interested itself particularly, too, in the question of increasing our trade with the Dutch East Indies, and prepared a report on the matter from information which it already had in its possession, this being issued as Bulletin No. 12. It is anticipated that a further report will be issued after the return of the New Zealand Trade and Tourist Commissioner from his visit to the Dutch East Indies and Singapore.

Inquiries are also proceeding in respect of trade possibilities in Belgium and Italy.

The attention of exporters and merchants in the Dominion is drawn to the facilities offered by the Government representatives, agents, and correspondents in various parts of the world. They are at the disposal of any person or firm desiring to extend trade relations with the countries concerned, and it is hoped that exporters and merchants in New Zealand will co-operate with the Department and with the Trade Commissioners or representatives concerned by utilizing to the fullest possible extent the services offered.

SHIPPING.

On the 1st November the Osaka Shosen Kaisha Shipping Co. inaugurated a monthly service of cargo-vessels between New Zealand and Japan via Australian ports. This is an extension of the company's Australian service to New Zealand. The vessels are up-to-date motor-ships of 6,724 tons and 16 knots speed, and provide a cheaper freight both on inward and outward cargo than was available previously, when all New Zealand cargo had to be transhipped at either Sydney or Melbourne. Up to the 2nd April six sailings from Auckland and Wellington had been made and the outward cargo lifted showed an increase as follows:—

Vessels sailing—							Cargo. Tons.
1st November, 1930	..	..	..	..	..	..	74
2nd December, 1930	..	..	..	..	..	..	134
1st January, 1931	..	..	..	..	..	..	303
1st February, 1931	..	..	..	..	..	..	539
27th February, 1931	..	..	..	..	..	..	371
2nd April, 1931	..	..	..	..	..	..	771

The cargo lifted comprised wool, tallow, casein, hides, pelts, kauri gum, and small lines of butter and canned milk. It is hoped that the new service, which provides facilities of considerable value to exporters to the East, will receive sufficient support to justify its continuance.

While sea traffic has fallen considerably during the past year, the main services to the Dominion have been maintained substantially on the lines of previous years.

STORES CONTROL BOARD.

A representative of the Department continues to act on the Stores Control Board Advisory Committee.

This association is proving of advantage to all concerned. The value of the stores purchased for the year ended 31st March, 1931, by Departments of State was £4,286,803.

MANUFACTURERS' ASSOCIATIONS.

Close co-operation has been maintained by the Department with the Manufacturers' Associations in the four centres

The Auckland Association has continued a newspaper campaign for the greater use and consumption of New Zealand products. During the year an organizer was appointed who delivered lectures to women's clubs and other organizations on the benefit accruing from giving preference to New-Zealand-made goods. The winter exhibition was held from the 8th–18th July, and was largely attended.

The Wellington Association held its seventh annual exhibition in conjunction with the Wellington Winter Show Association, the 12,000 ft. of floor-space for exhibition purposes being entirely taken by manufacturers' exhibits. The association this year again held a "Made in New Zealand" week from the 22nd to the 30th May in co-operation with retailers, over 500 windows being devoted to the exclusive display of New Zealand manufacturers.

The Christchurch Association held its annual winter show in the King Edward Barracks in May last, and an attendance of 69,381 persons was recorded. The exhibition will be held again this year, and will be the last occasion on which the Barracks will be used for this purpose. It has recently been announced by the Canterbury Association that tenders will be called shortly for the erection of the proposed Hall of Industries in Moorhouse Avenue. The proposed building will cost approximately £25,000, will be specially designed for exhibition purposes, and will be the official headquarters of the association. The association is to be congratulated on the progressive step taken.

The Dunedin Association again featured a "Made in New Zealand" week, which was heartily supported by the retailers in the city and suburbs, over 450 windows making comprehensive displays of New Zealand manufactures. During this "week" the association embarked on a campaign to obtain signatures to a pledge "To ask first for New-Zealand-made goods." It is reported that a great number of citizens have definitely pledged themselves to support New Zealand industries.

In November last the Dunedin Association, in conjunction with other organizations, held an industrial exhibition and carnival, the proceeds of which were devoted to the Cancer Research Fund. As a result the substantial sum of £3,000 was handed over to the Research Fund.

The Manufacturers' Federation held its annual conference during the year, and among the more important matters discussed was the question of the appointment of a Dominion organizer and a permanent central office which would operate continuously in the interests of Dominion manufacturers. In view of present economic conditions, the time was considered inopportune for the appointment of a permanent organizer. Another matter of importance was the consideration of the adoption of a New Zealand trade-mark which would be the national emblem for goods manufactured in the Dominion. Regulations have been drawn up and a competitive design has been accepted by the federation. It is hoped shortly to have the design registered and generally adopted by New Zealand manufacturers.

It has been the practice of the Department to stage exhibits at various winter shows and exhibitions, advocating the use and consumption of New-Zealand-made goods. During the past year, owing to the financial stringency, the Department participated in only one exhibition. The exhibit referred to was shown at the Dunedin exhibition and carnival held for the purpose of raising funds for the cancer-research campaign. The exhibit took the form of rotating graphs showing by symbols and statistics the growth of New Zealand industries. Transparencies depicting the scenic attractions of the Dominion were also featured.

STATISTICS RELATING TO MANUFACTURING INDUSTRIES.

The figures for the latest year available—1929-30—show increases both in regard to number of employees engaged and wages paid, and also increases in value of products and added value. This latter item has increased by approximately £1,000,000, and is the most satisfactory indication of the progress of manufacturing industries.

The figures also reveal a decrease in the extent to which it has been necessary to work short time in the factories, receding from 1,220,370 hours in 1928-29 to 1,115,640 hours for the year under review. The sawmilling industry contributed 307,648 hours to the total short time recorded for the year.

Analyses of the data for the various industries disclose the following principal differences between the years 1929-30 and 1928-29 :—

	Year ended 31st March,		Increase, 1929-30, over 1928-29.	
	1929.	1930.	Absolute.	Per Cent.
Establishments (number)	5,136	5,177	41	0·80
Persons engaged—				
Males (number)	67,174	68,442	1,268	1·89
Females (number)	16,506	17,355	849	5·14
Total (number)	83,680	85,797	2,117	2·53
Salaries and wages paid—	£	£	£	
To males	15,413,399	15,870,516	457,117	2·88
To females	1,675,346	1,750,948	75,602	4·51
Total	17,088,745	17,621,464	532,719	3·12
Motive power (horse-power)	463,666	587,552	123,886	26·72
Cost of materials used	£ 59,870,570	£ 59,208,807	£ —661,763	—1·11
Value of products	93,172,222	93,464,526	292,304	0·29
Added value	33,301,652	34,255,719	954,067	2·86
Value of—	£	£	£	
Land and buildings	24,118,549	25,446,809	1,328,260	5·51
Plant and machinery	43,219,448	46,208,345	2,988,897	6·92
Total	67,337,997	71,655,154	4,317,157	6·41

NOTE.—The minus sign (—) denotes decrease.

In the following tables the various classes of industries contributing to the factory production of the Dominion have been grouped according to general character:—

Table showing for the Years ended 31st March, 1928, 1929, and 1930, Figures relating to the various Industries classified into Four Groups as stated.

Year.	Persons engaged.	Salaries and Wages paid.	Materials used.	Value of Products.	Value added by Manufacture.	Land, Buildings, Plant, and Machinery.
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Group 1.

Group 1 includes meat-freezing, ham and bacon curing, butter, cheese, and condensed milk, sausage-casings, fellmongering and wool-scouring, boiling-down, and manure-making.

	Number.	£	£	£	£	£
1927-28 ..	11,692	2,726,430	32,892,737	40,316,821	7,424,084	9,125,123
1928-29 ..	12,418	2,826,703	36,860,398	44,042,398	7,173,239	9,248,290
1929-30 ..	11,860	2,848,034	35,372,687	42,153,054	6,780,367	9,323,488

Group 2.

Group 2 includes gas making and supply, electricity generation and supply, electric tramways.

	Number.	£	£	£	£	£
1927-28 ..	7,210	1,851,644	4,221,136	6,601,850	2,380,714	30,087,314
1928-29 ..	7,319	1,876,482	4,448,650	6,970,275	2,521,625	32,282,452
1929-30 ..	7,191	1,853,166	4,797,333	7,414,710	2,617,377	35,322,687

Group 3.

Group 3 includes fish curing and preserving, log-sawmilling, lime crushing and burning, &c.; brick, tile and pottery making; concrete block or pipe and fibrous-plaster making; pumice insulation; flax-milling.

	Number.	£	£	£	£	£
1927-28 ..	11,228	2,529,511	1,733,150	6,635,991	4,902,841	4,901,587
1928-29 ..	10,893	2,431,452	1,684,253	6,499,066	4,814,813	4,511,176
1929-30 ..	11,945	2,633,835	2,600,369	8,139,147	5,538,778	5,987,755

Group 4.

Group 4 includes all other industries.

	Number.	£	£	£	£	£
1927-28 ..	51,610	9,768,293	16,461,174	34,174,820	17,713,646	20,560,126
1928-29 ..	53,050	9,954,108	16,868,508	35,660,483	18,791,975	21,477,662
1929-30 ..	54,801	10,286,429	16,438,418	35,757,615	19,319,197	21,021,224

Percentage of each Group to Total.

1928-29.

1	..	14.84	16.54	61.58	47.27	21.54
2	..	8.75	10.98	7.43	7.48	7.57
3	..	13.88	15.18	4.29	8.43	15.89
4	..	62.53	57.30	26.70	36.82	55.00
Totals	..	100.00	100.00	100.00	100.00	100.00

1929-30.

1	..	13.83	16.16	59.74	45.10	19.79
2	..	8.38	10.52	8.11	7.93	7.64
3	..	13.92	14.95	4.39	8.71	16.17
4	..	63.87	58.37	27.76	38.26	56.40
Totals	..	100.00	100.00	100.00	100.00	100.00

The above tables assemble what might be termed (a) semi-primary industries, (b) certain public utilities and services, (c) semi-extractive and processing industries, and (d) other manufacturing industries.

Analyses of the data for the various industries disclose the following principal differences between 1928-29 and 1929-30:—

Persons engaged.

Increases.—Motor-engineering, 989; clothing, 351; saw-milling, 251; engineering, 149; and biscuits and confectionery, 149.

Decreases.—Meat-freezing, &c., 442; woollen-milling, 98; and brick and tile, 77.

Salaries and Wages paid.

Increases.—Motor and cycle, £210,750 ; sawmilling, £45,434 ; coachbuilding, £35,929 ; agricultural machinery, £28,117 ; clothing, £26,819 ; and printing and publishing, £20,920.
Decreases.—Woollen-milling, £35,011 ; brick and tile, £30,536 ; and electric tramways, £22,355.

Added Value.

Increases.—Motor and cycle, £211,750 ; sawmilling, £182,243 ; electric supply, £99,635 ; biscuit and confectionery, £98,412 ; and printing and publishing, £92,893.
Decreases.—Meat-freezing, &c., £387,131 ; fellmongering and wool-scouring, £99,469 ; and electric tramways, £48,284.

Land, Buildings, Machinery, and Plant.

Increases.—Electric supply, £3,038,458 ; chemical fertilizing, £191,512 ; ice-cream, £160,019 ; electric tramways, £159,305 ; motor and cycle, £153,670 ; meat-freezing, &c., £144,365 ; and saw-milling, £107,057.
Decreases.—Patent medicines, £65,789 ; furniture, £43,758 ; printing and publishing, £42,179 ; boiling-down, £32,256 ; and woodware, £25,817.

NEW INDUSTRIES.

The manufacture of lawn-mowers has been undertaken by an Auckland engineering company, and a substantial quantity have already been placed on the market with gratifying results. The manufacture of patent leather has been added to the products of an Auckland tannery.
The Dominion Fertilizer-works at Ravensbourne, Dunedin, were officially opened by the Minister of Agriculture in January last. These works, which are on an extensive scale, are now producing superphosphate and other fertilizers. The Hume Pipe Co., Ltd., have also installed at Ravensbourne a plant for cement lining of water-conduits. It is further proposed at a later date to include the manufacture of concrete pipes and other concrete products.
In Wellington, Messrs. Hibberd, Son, and Burnes, Ltd., have commenced the manufacture of gas-meters. With the exception of an enamel dial-face, the whole of the raw materials used are obtained in New Zealand and processed into the finished article at the factory. The price is stated to be competitive with imported gas-meters, which are admitted under British preferential tariff duty-free.
The manufacture of steel pipes has been commenced by the Hume Pipe Co. at Lower Hutt.

CO-OPERATION WITH UNEMPLOYMENT BOARD.

The Unemployment Inquiry Committee of the House last year requested the Department to furnish a report on what might be done to employ more workers in the secondary industries. It was considered desirable to call a meeting of representatives of the manufacturers' associations to discuss the subject, and a conference was accordingly held on the 18th September last.
The manufacturers' representatives made certain recommendations, which were embodied in the Department's report to the Board. The more important matters covered were suggestions relative to preference for New Zealand goods in the purchases of Government Departments and local bodies, advances to manufacturers for capital extensions, a development of Industries Board, and State assistance in advertising propaganda in favour of New-Zealand-made goods.
These and other matters have received the consideration of the Board, and action is being taken in regard to Government purchases and in relation to newspaper advertising designed to stimulate the buying of locally produced articles.

TIMBER.

The production of the main varieties of timber in the Dominion for the past nine years (ending at 31st March) is given in the following table :—

Year ended 31st March,	Total.	Kauri.	Rimu.	White-pine.	Matai.	Totara.	Others.
	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.
1922 ..	314,972,310	21,435,728	157,345,928	68,486,633	24,830,368	19,570,561	23,303,092
1923 ..	304,351,877	22,460,759	155,627,936	66,088,219	23,747,049	20,843,718	15,584,196
1924 ..	317,069,216	19,743,196	181,093,581	56,699,443	24,326,148	18,904,361	16,302,487
1925 ..	344,094,874	22,891,535	195,572,705	65,572,439	23,947,707	18,509,551	17,600,937
1926 ..	353,224,196	22,765,877	195,451,758	75,634,869	26,141,027	14,109,576	19,121,089
1927 ..	305,675,258	18,474,981	170,498,282	65,490,059	19,380,469	14,179,462	17,652,005
1928 ..	269,783,000	15,874,000	156,314,000	53,736,000	15,207,000	15,728,000	17,924,000
1929 ..	270,214,420	10,742,967	156,239,992	56,790,306	15,752,744	8,610,639	22,077,772
1930 ..	282,405,173	10,471,297	163,293,288	58,505,364	17,972,243	9,046,159	23,116,822

The above statistics show that the production of timber increased by approximately 12,000,000 superficial feet during the 1929-30. The number of sawmillers engaged in the production of rough-sawn timber shows an increase of 13, the relative figures being 292 in 1929 and 305 in 1930.

Employment figures show a slight increase in the number of workers engaged in sawmills, and for comparative purposes the following figures are submitted : 1926-27, 7,208 ; 1927-28, 6,405 ; 1928-29, 6,264 ; 1929-30, 6,504.

The increase in output is to a large extent due to the decrease in prices. The import duty on timber was increased on the 18th August, 1930, from 3s. to 7s. 6d. per 100 ft. of baulk timber, dressed timber from 7s. 6d. to 19s., and sawn timber n.e.i. from 5s. to 9s. 6d. Notwithstanding these appreciable increases in tariff protection, the wholesale selling-prices of native timbers declined very considerably during the past two years. Selecting rimu as a representative line, the price of building A, dressing quality, receded from 39s. on the 19th September, 1929, to 30s. in October, 1930, and 25s. on the 16th April, 1931. Building A, ordinary quality, in the same period was reduced from 20s. to 16s. Building A, heart quality, was reduced during the same period from 20s. (September, 1929) to 19s. (October, 1930) and 16s. (April, 1931). The prices of dry dressed flooring in September, 1929, were—heart, 46s. ; O.B., 27s. ; October, 1930—heart, 38s. ; O.B., 25s. ; and 16th April, 1931—heart, 34s. ; O.B., 24s.

The export trade for the year under review showed a substantial reduction of 12,372,250 ft. in quantity and £138,168 in value compared with that of 1929. The relative figures show the position as follows: 1929—Quantity, 39,098,568 ft. ; value, £439,299. 1930—Quantity, 26,726,318 ft. ; value, £301,131.

The decrease in value of the Australian trade is £136,943. The export trade in beech declined by 1 million feet in quantity and £13,739 in value ; kauri, approximately 1 million feet in quantity and £18,671 in value ; white-pine, 1.13 million feet in quantity and £109,002 in value. Rimu, however, showed a slight increase of 394,000 ft. in quantity and £3,807 in value.

The following table shows in thousands of superficial feet the quantities of timber that directly compete with New Zealand native timber :—

—	1927.	1928.	1929.	1930.
	(1,000 ft.)	(1,000 ft.)	(1,000 ft.)	(1,000 ft.)
Cedar	2,390	2,066	1,336	637
Oregon	17,638	16,713	16,188	12,807
Hemlock	2,207	4,903	4,108	6,142
Redwood	7,583	7,478	11,678	9,345
Butter-box shooks	1,807	2,006	3,147	4,691
Cheese-crate shooks	1,433	785	1,373	1,774
Total	33,058	33,951	37,830	35,396

The Industries and Commerce Committee of the House, which inquired in 1929 into the difficulties affecting the marketing of fruit-cases made from New Zealand native timbers, recommended that the Department of Industries and Commerce convene a conference of fruitgrowers, sawmillers, and other interested parties to consider what steps could be taken to ensure greater co-operation between the fruitgrowers and the sawmilling industry.

The conference was held on the 23rd May, 1930, and was attended by representatives of fruit-growers, officials of the Fruit-export Control Board, boxmakers, and sawmillers, and also officials of the State Forest Service and the Department of Agriculture and Industries and Commerce. The conference was marked by a distinct desire on the part of the fruitgrowers and Fruit-export Control Board to support any reasonable proposals which had for their object the increased use of fruit-cases made from New Zealand timber. It was, however, pointed out by the fruit-exporting interests that any cases obtained from local sources had to be made from timber absolutely dry.

It is pleasing to report that the bulk of the requirements for the ensuing season will be obtained from local sources. Approximately not more than 200,000 cases will be imported this year as against approximately 1,250,000 last year. In the Nelson district alone an order for 600,000 cases will probably be placed with the local sawmillers, and in the Hastings district the whole requirements of 150,000 cases will be obtained locally. Advice from the Auckland district is to the effect that 120,000 cases will be obtained from mills in that district.

While the Department is of the opinion that to some extent increased interest on account of Customs duty paid on timber shooks (which is retained until the cases containing fruit are exported) and adverse exchange rates have been factors in diverting orders to the local mill, it believes that a genuine desire exists on the part of the fruit-exporters to obtain their requirements from local sources.

A special Timber Committee, composed of representatives of the State Forest Service, Valuation Department, Department of Industries and Commerce, Government Architect, and the Dominion Federated Sawmillers' Association, has been functioning since April, 1927, and one of its principal duties was to formulate the Standard Grading and Classification Rules in respect of the sale of native timbers.

The most important work of the committee this year has been the holding of a conference with representatives of the New Zealand Institute of Architects, New Zealand Federated Builders' and Contractors' Association, New Zealand Timber-merchants' Federation, and Sawmillers' Association. The conference, which was held on the 3rd July, 1930, was the outcome of criticism of the Standard Grading and Classification Rules, and of the additional cost involved in adopting them in actual

practice. The views of each section of those interested in the timber industry were submitted to the meeting, and a comprehensive and frank discussion characterized the conference, which concluded with the unanimous adoption of the following resolution: "That the Merchants' Federation, the Builders' Federation, and the Institute of Architects be asked to submit to the special Timber Committee such modifications of the Standard Grading and Classification Rules as they consider would render such rules acceptable in the interests of all parties; and, further, that a fair trial meantime be given to the Timber Committee's standard rules."

As a result of the conference a better feeling has been created between the sawmiller, timber-merchant, and architect, and the committee feel confident that greater consideration will be given to the use of native timbers in buildings and other constructional work.

The committee propose in future to co-opt the Institute of Architects, timber-merchants, and sawmillers to assist them in respect of any modification of the Standard Grading and Classification rules.

The committee has also made representations to the Right Hon. the Prime Minister that preference be given to New Zealand timber and other building-materials for use in Government constructional work, and also in buildings on which Government loans have been granted.

INQUIRY INTO THE MARKETING OF FRUIT AND VEGETABLES.

A request for an inquiry into the present methods of marketing fruit and vegetables was brought before the House of Representatives in October, 1929, by a petition signed by 156 Wellington fruit-retailers.

The Department reported last year that the Prime Minister agreed that the inquiry should be conducted by the parliamentary Committee of Industries and Commerce. The matter was referred to in the House of Representatives on the 23rd July, 1930, when it was directed that the above Committee should investigate the subject-matter of the petition.

An inquiry was accordingly held, and evidence was received from forty-four witnesses, including growers, auctioneers, merchants, retailers, and others. The Committee, after careful deliberation, reported on the 14th October, 1930, that in their opinion the subject-matter of the petition was too large and involved for a sessional Committee to deal with in all its ramifications. It was also the opinion of the Committee that a recess Committee should be appointed with enlarged powers, or, alternatively, that the inquiry should be conducted in the four centres by the Department of Industries and Commerce (which already has all necessary powers) and the Department of Agriculture, and, further, that one or more members of Parliament should be associated with these Departments in the inquiry.

The report of the Committee has been printed, and is available to all persons interested.

MARKETING OF FISH.

The Department has made extensive inquiries during the last few months into the marketing and prices of fish in the four principal centres of the Dominion, and also in regard to the Bluff and Stewart Island fishing industry. As a result a considerable amount of valuable information in relation to all phases of the industry has been obtained, more particularly in regard to the conduct of the trade and to prices at all stages.

A report embodying the results of the Department's investigations has been submitted to the Hon. the Minister of Industries and Commerce.

The slump in the Australian fish-market has seriously affected the export trade from the Dominion, and the New Zealand Trade and Tourist Commissioner in Australia has been instructed to report fully upon the possibility of improving matters in Australia in so far as the handling and marketing of fish exported from New Zealand is concerned.

Many attempts have been made to utilize the large supplies of fresh-water eels that are available in lakes and rivers throughout the Dominion. The best market for these is thought to be the United Kingdom, where large supplies of live eels are received from the Continent. Several shipments of frozen eels have been made from the Dominion during recent years, but the results obtained had not been entirely satisfactory. In order to investigate the possibilities of landing frozen eels in London in good market condition, a committee, consisting of the Chief Inspector of Fisheries, the Dominion Analyst, and a representative of this Department, was appointed to carry out research work in this connection. After reviewing the various methods used in catching, cleaning, freezing, and packing the eels shipped on previous occasions, the committee arranged with a Wairarapa syndicate to catch a quantity of eels, and these were prepared at Lake Wairarapa under the supervision of the Fisheries Branch of the Marine Department and sent to cold store in Wellington by motor. These eels were treated in three different ways, and frozen at the lowest temperature available and held in cold storage pending shipment. The report received from London regarding the condition of the eels on arrival was satisfactory as to the eels prepared in one particular way, and the defects pointed out in the others will be guarded against in subsequent shipments.

The value placed on the consignment in London was from 6d. to 7d. per pound. This was not considered sufficient by the syndicate concerned to justify a continuance of shipments of eels at the present time. The decision in this matter was also influenced by the fact that the market requires eels not exceeding 1 lb. in weight, which are difficult to procure during the winter season.

ACTIVITIES OF THE DEPARTMENT IN RELATION TO THE COST OF LIVING.

The Department has been closely engaged upon investigations relative to prices charged by traders in respect of a wide range of commodities, in an endeavour to give effect to the desire of the Government that the benefit of the general reduction in salaries and wages should be passed on to the public.

The prices of flour and bread have been under investigation, and reports have been prepared showing the position of the different interests and the costs involved. As a result of the Department's inquiries, combined with the influence of competition amongst traders, prices of bread have definitely fallen in a number of cities and towns.

The prices of meat have been under review, and the Department has assured itself that there is ample competition in this trade to ensure that the public receives a fair return for its outlay.

The prices and distribution of fish have been the subject of a report recently submitted for consideration of the Government.

Investigations are being carried out by the Department into the prices and costs of distribution of petrol and cement, and into the costs of production and prices of bricks and earthenware pipes. Price inquiries have also been made relative to sugar, butter, bran and pollard, eggs, fertilizers, and bacon.

Over an extensive field price investigations are rendered unnecessary by energetic price competition. Both as a result of this competition and as a result of the prevailing depression, the profits of many traders have been seriously diminished, and in numerous instances substantial losses have occurred. Under such circumstances it cannot reasonably be expected that reduced labour-costs will immediately be attended by further reductions in wholesale or retail prices. Moreover, in some trades and industries general reductions in salaries and wages have not yet been effected, and in cases where reductions have been made the time which has elapsed is yet too short to reveal the benefit of reduced labour-costs in reduced wholesale or retail prices. Wherever possible, however, effective steps are being taken by the Department to ensure that reductions in salaries and wages are passed on to the public in the form of lower prices, and evidence is forthcoming that reductions in prices due to lower wage-costs are definitely being made in many instances and in respect of a wide range of commodities and services.

WHEAT, FLOUR, BREAD.

For the 1929-30 season the area sown in wheat in the Dominion was 235,942 acres, and the yield was 7,239,556 bushels, an average of 30.68 bushels per acre. This quantity was not sufficient for the requirements of New Zealand, but the yield and the carry-over from the previous season were adequate without abnormal importations.

The quantity of wheat imported into New Zealand during the year 1930 was 280,137 bushels, valued at £77,253. The quantity of flour imported during the same period was 9,538 tons, valued at £138,980. Together the imports last year of wheat and flour represent 737,961 bushels of wheat, which is approximately equivalent to one month's requirements for the Dominion.

The New Zealand Wheatgrowers' Co-operative Association, Ltd., continues to function and controls the sale of a large quantity of the wheat grown in Canterbury and Otago.

The following table gives statistics concerning the grain-mills of the Dominion for the year ended 31st March, 1930 :—

Number of establishments	..	..	..	..	..	54
Value of land, buildings, and plant	..	..	..	..	..	£831,331
Persons engaged	..	..	..	..	..	731
Amount paid as salaries and wages	..	..	..	..	..	£182,104
Cost of materials used	..	..	..	..	..	£2,346,388
Value of products	..	..	..	..	..	£3,001,323
Added value	..	..	..	..	..	£654,935

Included in the materials used were 6,390,642 bushels of wheat, valued at £2,065,740, and 685,562 bushels of oats, valued at £120,657. The quantity of flour produced was 136,917 tons. There were also produced 18,921 tons of bran and 33,089 tons of pollard.

During the 1929 session of Parliament a special Committee was appointed to examine matters relating to the wheat and allied industries. The Committee, in its report to Parliament, recommended that investigations into the cost of production of flour and bread be carried out by this Department. Officers of the Department made exhaustive inquiries, and a report on the flour-milling industry in New Zealand was submitted to Parliament during the earlier session of this year.

A report upon the cost of production and distribution of bread in the four principal centres of the Dominion was also submitted to Parliament last session.

FLAX INDUSTRY.

Export statistics of hemp and tow, as shown in the appendix, reveal a considerable decrease both in value and quantity. The relative figures for the last two calendar years are as follows :—

				Tons.	Value. £
1929	..	..	..	14,720	379,942
1930	..	..	..	9,493	221,923

The past year has witnessed a decline in hemp-prices to the lowest level reported since pre-war, and considering to-day's costs and conditions, prices are lower than at any other time during the past thirty years. The average prices for "Good fair" for the past four years are as follows: 1927-28, £29 10s.; 1928-29, £29; 1929-30, £28 10s.; 1930-31, £20 10s.

The decline in price of raw materials is general throughout the world, and New Zealand *Phormium tenax*, together with all other fibres, shows a serious fall in price-level. Taking into account the small quantity produced in 1930-31, the price would not be sufficient to cover cost of production and overhead expenses. Grading figures show a considerable decrease in the past four years as shown hereunder: 1927-28, 17,803 tons; 1928-29, 11,705 tons; 1929-30, 13,154 tons; 1930-31, 4,689 tons.

The Department has communicated with the New Zealand Trade Commissioners overseas in regard to the stimulating of existing trade and the possibility of developing new markets for New Zealand hemp. The position at present is not bright, and little improvement can be expected under existing world-market conditions for fibres.

The Department has for some years past been associated with proposals for the utilization of flax-waste for corn-sacks, woolpacks, &c., and has arranged at various times for the examination and testing of these materials by Departments having the necessary appliances for the purpose. A proposal to manufacture sacks and woolpacks has been revived, and experiments in regard to the suitability of flax in the manufacture of woolpacks was recently successfully demonstrated in Wellington. The questions of obtaining suitable machinery and of the cost of production are matters which are now engaging the attention of the promoters of this new industry.

TOBACCO INDUSTRY.

The production of tobacco-leaf in the Dominion is steadily increasing. The area under tobacco in 1925-26 was 450 acres, and in 1929-30 this had increased to 1,587 acres.

The quantity and value of the leaf produced and sold in the Dominion in those years were as follows:—

Year.	Nelson District.	Value.	Auckland District.	Value.
	lb.	£	lb.	£
1925-26	360,000	36,000	.. .. .	.. .. .
1929-30	1,045,632	105,828	215,600	21,460

The number of growers in 1925-26 was 160—all in the Nelson District—and in 1929-30 the number had increased to 491 in the Nelson District and five companies were operating in the Auckland District.

During 1929 quite a boom set in, and several companies were incorporated to grow and manufacture tobacco, chiefly in the Auckland District. Some of these have failed, and others have amalgamated in order to conserve the interests of their shareholders and to exploit to the best advantage the possibilities of the limited market for tobacco at present available in the Dominion.

The great body of individual growers have been supplying the two manufacturing companies for some years past, and, as a whole, have obtained very fair financial results. These companies are fully supplied with leaf by these growers, and consequently the large growing companies who have entered the industry during the past two years are experiencing difficulty in finding a market for their product. They may be able to succeed by manufacturing on their own account, but will in that case be faced with the difficulties and expense of selling their product under brands which are as yet unknown and unproved as regards quality. There remains the possibility of establishing export markets in Australia and Great Britain, and the Department has co-operated in the efforts which have been made to sell leaf in these countries. Up to the present these efforts have not met with any appreciable success. The Australian market gives a preference of 1s. 6d. per pound on New Zealand leaf, and the British market is also preferential in regard to all tobacco-leaf grown in the Empire.

During the year 1930 the export of New-Zealand-grown tobacco-leaf was 100 lb. only, probably comprised of samples sent to Australia and Great Britain.

TUNG-OIL INDUSTRY.

During the year the possibilities of establishing this important industry in the North Auckland district have received the attention of numerous business men, and five companies were registered and are raising funds, principally by means of bonds and debentures of various values, for the purpose. The sum total of these amounts to £780,000, and should this part of the Dominion prove suitable as regards soil and climate for the growth and fruiting of the tung-oil tree a very valuable industry will be established. As yet tung-oil is not in common use in the Dominion, except in so far as it forms an integral part of many imported manufactured commodities. If it can be produced successfully, overseas markets will have to be exploited, as the areas already in process of being planted with this tree will produce tung-oil much in excess of any local requirements. There can be little doubt that tung-oil will be in good demand for many years, as its use in industry is increasing.

The number of tung-oil trees that have been grown to maturity in the Auckland District are too few on which to base a confident opinion of the future prospects of the industry. The experimental plantings of these trees in numerous localities already made by the Department of Agriculture and the State Forest Service should serve as an effective guide as to the localities, if any, which are commercially suitable for the purpose of the proposed industry.

ANGORA-RABBIT WOOL AND CHINCHILLA-FUR INDUSTRY.

Some two years ago the prospects of this industry looked so promising that large numbers of these rabbits were imported from the leading English breeders, and hundreds of persons, mostly of small means, purchased rabbits at very high prices. Unfortunately the importation of these rabbits was coincident with the development of the world-wide financial crisis attendant with the collapse in prices of most commodities. The fur industry was one of the first to experience a disastrous fall in prices, and chinchilla furs have in consequence been saleable only at prices around those ruling for the common wild rabbits.

The buying of Angora-rabbit wool by British firms ceased for nearly twelve months, leaving our rabbit-breeders without a market for their wool or for their rapidly increasing stock. Towards the end of 1929 the Commonwealth of Australia removed the embargo on the entry of industrial rabbits, and this Department promptly advised breeders that this market was available to them, and upwards of two thousand rabbits were exported to Australia during 1930. This afforded breeders some badly needed financial relief. During 1930 English firms renewed the buying of Angora-rabbit wool, and breeders are now availing themselves of this market. The best quotations are as follows: First-grade wool, 30s. per pound; second-grade wool, 25s. per pound; third-grade wool, 9s. to 15s. per pound; fourth-grade wool, 5s. to 8s. per pound.

Growers, however, are in the hands of the buyers in England, as the wool is graded by the buyer, and payment made entirely on the latter's gradings. There appears to be need of organization amongst the growers to receive and grade their product at a central depot in the Dominion, and to arrange payment on the basis of the grades established here.

The utilization of Angora-rabbit wool in combination with high-count merino wool is receiving attention at Bradford, and it is stated that 13 per cent. of Angora wool has been incorporated in merino wool for the spinning of yarns, and, moreover, that fabrics woven from these yarns have a very distinctive character and are likely to have a special "fashion" appeal. A demand for dress goods and hosiery containing considerable percentages of Angora-rabbit wool would greatly benefit producers of this wool in the Dominion. The right foundation stock is everywhere available, and production could in a very short time meet very heavy demands.

DEER-SKINS.

Due to the Government's decision to keep the deer herds in New Zealand definitely under control, fairly substantial quantities of skins have become available for sale by the Internal Affairs Department and the State Forest Service.

In co-operation with these Departments the Department of Industries and Commerce has been endeavouring, through the New Zealand Trade Commissioners in Canada, the United States, and Australia, to explore the requirements of these overseas markets for this class of hide. Sample skins have been forwarded to the New Zealand Trade Commissioner in Australia for distribution among tanneries for experimental purposes. Inquiries that have resulted indicate the possibility of an increased export trade to Australia. An exporter in the South Island recently placed a parcel with one of the leading tanneries in Melbourne. The District Officers of the Department in New Zealand have also been successful in arousing interest in this line, and definite inquiries have resulted. It may not be generally known that excellent-quality gloves, upper leathers for men's and women's shoes, leather coats, &c., are being made from deer-skins by New Zealand factories.

CEMENT.

The question of prices for cement charged by the New Zealand manufacturers has been the subject of discussion by local bodies, farmers' unions, and others. During the debate in the House of Representatives on the Customs Acts Amendment Act, 1930, the Right Hon. the Prime Minister approved of an investigation being carried out by this Department. The investigation is the subject of a special report which will be submitted to the Hon. the Minister of Industries and Commerce at an early date.

PRICE OF MOTOR-SPIRIT.

Acting on instructions received from the Right Hon. the Prime Minister, the Department has been inquiring into the cost of landing motor-spirit in New Zealand and the cost of distribution to users. Preliminary inquiries have been made from the major oil companies and also from a number of other importers of motor-spirit. It would appear from the information received that the cost involved in distribution, owing to the extensive service provided, is exceptionally high, and the spread between the landed cost and the ultimate price paid by the user appears to be one of the most unsatisfactory features of the trade. Further information is being obtained, and it is proposed to submit a report during the present session of Parliament.

GAS REGULATIONS.

The Board of Trade (Gas) Regulations, which are administered by the Department, provide safeguards in regard to heating-value, purity, pressure, price, and measurement.

Nineteen gas undertakings in the Dominion now come within the scope of the regulations, an additional company—the New Plymouth Gas Co., Ltd.—having been brought under them as from the 10th July, 1930.

The work of the Gas Examiners and Inspectors of Meters has been carried out efficiently during the period under review. The official relations with the gas companies and municipal undertakings continue to be most satisfactory.

COMMERCIAL TRUSTS ACT.

A number of complaints were made to the Department during the past year that the provisions of the Commercial Trusts Act, 1910 (as amended by section 12 of the Cost of Living Act, 1915), were being infringed, and in each case these were followed by full investigation by the Department into the nature and circumstances of the alleged breaches. These complaints related principally to alleged refusals to supply, and to the fixation of prices of commodities covered by the schedule to the Act. In no instance, however, were the facts such as to justify legal action being taken. In several cases the Department's intervention has resulted in an improvement in business relations between parties concerned.

CHATELS TRANSFER ACT, 1924.

Section 57 of this Act provides for the protection of bailors of such chattels as are referred to in the Seventh Schedule without the necessity of registration, and it is provided by the Act that Orders in Council may be issued to extend the Seventh Schedule by adding further classes of chattels recognized as being the subject of "customary hire-purchase agreements." The Department has the administration of this section of the Act, and whenever applications are received for the extension of the schedule thorough investigation and inquiry is made by the District Officers in each of the four chief centres of the Dominion as to the customary trade practices and as to the desirability or otherwise of adding such articles to the schedule.

During the past year applications were made in respect of the following classes of chattels: Oil heating equipment for use in connection with bakers' ovens; refrigerating machinery; radio sets; bicycles; bakery machines and ovens; chocolate and confectionery machines; biscuit and cake machines and ovens; chemical manufacturing machines; laundry washing, drying, and ironing machines; soap and perfume manufacturing machines. Careful inquiries were made in regard to each of these applications, but in no instance was the evidence obtained considered sufficient to warrant the addition of the particular chattels to the schedule.

With the increase in the volume and variety of commodities sold under the hire-purchase system the number of applications to the Department for the inclusion of such articles in the Seventh Schedule to the Act also increases. This necessitates careful inquiry on the part of the Department to ascertain whether the facts genuinely justify an addition to the schedule. In the past it has been found that one or two applications have been made merely as a preliminary to a special sales campaign conducted in connection with the particular articles. While the hire-purchase system has shown rapid extension during the last few years, it must be pointed out that there is a strong body of opinion definitely opposed to the adoption of the principle especially in the matter of the abuses to which the system is open, more particularly in its application to "non-essential" classes of goods.

TRADING-COUPONS.

The trading-coupon system as a means of increasing sales of particular commodities has received a considerable amount of publicity during the course of the past year. Briefly stated, the system comprises the issue of coupons by certain persons or firms to retailers in the Dominion, who issue them in turn to their customers when making purchases, the points allotted, or, in other words, the value of the coupon given, varying according to the amount of the purchase. Ultimately the coupons are redeemable in exchange for gifts varying in value according to the aggregate value of the coupons collected. The details of the methods employed in particular cases may differ, but the underlying principles are, generally speaking, the same.

The system has grown extensively in the Dominion during the past year, and a strong body of opinion definitely opposed to the system has rapidly developed. As a result of innumerable representations upon the matter the Government decided to take action to suppress the system. Legislation was introduced during the last session of Parliament with the object of amending the Trading-stamps Prohibition and Discount-stamps Issue Act, 1908, for the purpose of extending the provisions of that Act to forms of trading-coupons other than those covered by the Act. The measure was held over from the emergency session until the main session.

INDUSTRIAL AND COMMERCIAL BULLETINS.

During the past year the Department has continued with the issue of bulletins containing information on industrial and commercial subjects. As usual, the bulletins have been sent to the press, Chambers of Commerce, manufacturers' associations, prominent business executives, overseas trade representatives, and other persons and firms to whom they are likely to be of interest and value.

The issues made during the year were as follows:—

Bulletin No. 9: Report on Prospects of extending New Zealand's Trade with Japan, China, and Hong Kong.

Bulletin Nos. 10, 11, 13, and 14: Summary of the Finance, Trade, and Industries of New Zealand for the Quarter and Year ended 30th June, 1930, 30th September, 1930, 31st December, 1930, and 31st March, 1931, respectively.

Bulletin No. 12: Trade with the Dutch East Indies.

It is hoped that after the return of the New Zealand Trade and Tourist Commissioner in Australia from his mission to the Dutch East Indies and Singapore the Department will be able to supplement the information contained in Bulletin No. 12 by an additional report based on a first-hand knowledge of the requirements of the people of the particular countries visited.

TRADE INFORMATION SERVICE AND MISCELLANEOUS ACTIVITIES.

Apart from the dissemination of information concerning trade and other matters by means of the issue of bulletins, the Department is called upon day by day to an ever-increasing extent to supply general information relating to the Dominion's industries, commerce, and economic and social conditions, and particular information relating to specified industries.

Inquiries are constantly being received from business firms and persons both in New Zealand and overseas regarding the prospects for the successful marketing of particular products either in the Dominion or abroad, or regarding the conditions and general suitability of New Zealand for the establishment of specified industries. Inquiries are also frequently received from abroad from persons desirous of coming to the Dominion and setting up here in business.

In a report of this kind details cannot be given of the large number of inquiries of the nature mentioned above, more particularly as many of these matters must be treated as confidential. In general, it may be said, however, that the Department acts as a medium for the establishment of business contacts between persons and firms in New Zealand, and also between local and overseas interests.

It is the practice of the Department, too, to assist representatives of overseas firms visiting the Dominion by placing them in touch with exporters or importers of the products in which they are interested. To the representative from overseas this is a valuable service, for it enables him to communicate with the principal business houses interested much more readily than if left to ascertain prospective buyers or sellers by his own unaided efforts.

To the industrialist abroad who is considering the investment of capital in the Dominion the Department affords reliable and carefully compiled information for the purpose of encouraging the establishment of industries suitable to the New Zealand conditions. Such information includes that relative to cost of land, availability of labour, and supplies of raw material, tariffs, transport facilities, market prices, &c.

Many overseas manufacturers have already extended their operations to New Zealand by the erection of factories and plant, and a considerable amount of capital from overseas has consequently been invested in the Dominion, particularly from the United Kingdom, the United States, and Canada. Amongst the industries in which such developments have already taken place in New Zealand are those relating to the manufacture of tobacco, fertilizers, iron products, confectionery, motor-body building, &c. The future prospects for further extension of British-controlled factories in New Zealand appear to be quite promising.

The following list of a few of the inquiries of the nature referred to above received and undertaken by the Department during the past year may provide some indication of the extensive variety of subjects with which the officers of the Department are constantly required to deal.

Investigations and inquiries regarding—

Market for New Zealand greenstone.

Market for New Zealand tale.

Marketing of passion-fruit in Canada.

Markets for china clay.

Linseed-oil industry in New Zealand.

Alleged dumping of fur garments into New Zealand from Australia.

Seagrass-furniture trade in New Zealand.

Markets for diatomaceous earth.

Utilization of raw and processed wool in mattress-making and upholstery-work.

Possible manufacture of liver-extract in New Zealand.

Possibilities of supplying London and Continental markets with boned rabbit meat.

Marketing of Samoan bananas.

Possibilities of manufacturing motor-tires and other rubber goods in New Zealand.

Prospects of manufacturing aluminium goods in New Zealand.

Manufacture of lanoline in New Zealand.
 Steamer service between New Zealand and Norfolk Island.
 Wider use of New Zealand kauri-gum.
 Utilization of scrap tin.
 Possibilities of exporting edible fats from New Zealand and prospects of successful marketing in the United Kingdom.
 Production of strawboard from New Zealand wheat-straw.
 Establishment of tung-oil industry in New Zealand.
 Utilization of fish-waste.
 Production of woollen moquettes in New Zealand suitable for motor trade.
 Establishment of felt-slipper industry in New Zealand.
 Utilization of Onakaka iron for manufacture of pipes.
 Suitability of New Zealand leather for purposes of motor trade.
 Production and marketing of engineers' waste from New Zealand tow.
 Marketing of New Zealand osiers in Australia.
 Marketing of Samoan cocoa-beans in New Zealand.
 Marketing of glycerine in Australia, Canada, the United Kingdom, and the United States.
 Marketing of New Zealand mutton and lamb in Canada.
 Use of frozen rabbits as food for foxes in Canada and possibility of developing export trade in frozen rabbits from New Zealand for that purpose.
 Marketing of fullers' earth in Canada.
 Shipping from South Island ports to Australia.

The importance of the Department's work briefly referred to in this section cannot be too strongly emphasized.

CONCLUSION.

The Department has maintained a close association with Chambers of Commerce, Trade Commissioners stationed in the Dominion, other State Departments, Control Boards, and similar bodies.

While trading and financial conditions in the past year have been distinctly unsatisfactory to commercial interests and the general economic state of the Dominion is reflected in a serious measure of unemployment, it is reasonable to expect a definite improvement in conditions during the summer of 1931-32. The seasonal influences on production, and consequently on employment, are particularly strong in a country such as New Zealand, where agricultural and pastoral products are of major importance. Production from several of our leading industries has shown a continuous increase in recent years, and this increased output must in some measure at least offset the adverse effects of falling price-levels. The markets for several of our main exportable lines have shown at least some recovery from the low points reached in past months, and there is certainly support for the suggestion that a revival of confidence in the minds of investors and traders is all that is needed to bring about a definite improvement in conditions.

It is a remarkable fact that the banking returns and the experience of large concerns which accept money on deposit give every evidence that available funds have to an increasing extent been placed on fixed deposit, reflecting the general lack of confidence in industrial and trading securities.

The world-wide disproportion between prices of raw materials and manufactured goods is calling for—and forcing—reductions in manufacturing and handling costs. Wage-rates are falling, sea freights have been reduced, and a general renewal of that equilibrium between the values of various classes of goods which is essential to healthy trading-conditions will, it is considered, be reached by a better demand and somewhat improved prices for raw materials on the one hand, and a reduction of processing and handling costs on the other. In so far as New Zealand is able to condition internally the economic position of the country resultant from external factors, it certainly seems proper that every effort should be made to reduce production and manufacturing costs.

The remarkable natural advantages of the Dominion, backed by the confidence and courage of its people, will, it is believed, put as brief a limit on the present depression as can be expected in the face of disturbed conditions in the financial and trading markets of the world.

APPENDIX.

MANUFACTURING INDUSTRIES.

Fruit-preserving and Jam-making.

Official statistics, year ended 31st March :—				1928.	1929.	1930.
Establishments (number)	..	..	..	9	9	7
Employees (number)	..	..	..	309	325	298
Wages paid	..	..	..	£54,825	£56,862	£54,983
Value of output	..	..	..	£325,915	£327,722	£300,424
Value added by manufacture	..	..	..	£122,895	£132,433	£132,204
Imports, calendar years :—						
Jams and preserves (including preserved ginger)	..	..	..	£	£	£
	..	..	..	28,555	44,959	26,772
Fruits bottled and preserved in syrup :—						
Apricots	..	..	..	27,195	28,980	22,042
Peaches	..	..	..	51,469	65,803	58,330
Pears..	..	..	..	4,066	2,024	728
Fruit-pulp n.e.i.	..	..	..	4,395	4,257	5,362
Total	..	..	..	£115,680	£146,023	£113,234

Production figures have not maintained the position reached last year, a decline of £27,298 in production being recorded. The import figures have, however, declined to a greater extent the decrease being £32,789. The import figures are now the lowest for the past four years, importation of jam from South Africa declining by £12,739. Reports for the current year submitted by manufacturers show that turnover in these commodities has declined, with the exception of canned vegetables, for which there is a steady demand, due to improved quality and marketing methods.

Lime and Cement.

Official statistics, year ended 31st March :—				1928.	1929.	1930.
Establishments (number)	..	..	..	27	29	31
Employees (number)	..	..	..	915	875	928
Wages paid	..	..	..	£218,017	£223,219	£222,831
Value of output	..	..	..	£961,561	£914,232	£928,200
Value added by manufacture	..	..	..	£732,907	£721,518	£737,968
Imports, calendar years :—						
Cement, building (cwt.)	..	..	..	24,854	29,558	34,834
Value	..	..	..	£7,078	£8,973	£8,142

Production statistics at the end of 1930 show a slight improvement. It is doubtful, in view of the decline in building, whether this position will be maintained.

Engineering.

Official statistics, year ended 31st March :—				1928.	1929.	1930.
Establishments (number)	..	..	..	203	205	205
Employees (number)	..	..	..	3,668	3,741	3,890
Wages paid	..	..	..	£779,764	£803,273	£809,884
Value of output	..	..	..	£1,828,818	£2,005,978	£1,982,720
Value added by manufacture	..	..	..	£1,202,751	£1,276,017	£1,263,454

The production statistics show very little variation from those of the previous year. Manufacturers report that there has been a general falling-off in trade since the above figures were published. There has been keen competition amongst local manufacturers, and the progressive development of local enterprise has reduced competition in certain lines from overseas. By advocating the product of a local factory the Department has been successful in diverting substantial business from being placed overseas. Decline in building activity has resulted in a decrease in the sale of gas and electric household appliances.

Sauce, Pickle, and Vinegar Making.

Official statistics, year ended 31st March :—				1928.	1929.	1930.
Establishments (number)	..	..	..	21	24	23
Employees (number)	..	..	..	278	283	262
Wages paid	..	..	..	£49,616	£50,577	£48,652
Value of output	..	..	..	£217,836	£230,769	£218,832
Value added by manufacture	..	..	..	£113,811	£126,771	£124,222
Imports, calendar years :—						
Pickles (gallons)	..	..	..	2,552	4,249	2,746
Value	..	..	..	£1,698	£2,593	£1,870
Sauce and chutney (gallons)	..	..	..	17,824	17,035	15,327
Value	..	..	..	£16,866	£17,417	£14,889
Vinegar (gallons)	..	..	..	30,310	32,657	21,670
Value	..	..	..	£7,699	£8,864	£7,643

The figures for 1929-30 show very little variation from those of the previous year. A comparison of import figures shows a greater decline, and it is reasonable to assume that the output from New Zealand factories has been maintained by displacing to some extent the imported article.

Soap and Candle making.

Official statistics, year ended 31st March :—			
	1928.	1929.	1930.
Establishments (number)	24	23	18
Employees (number)	470	474	452
Wages paid	£100,930	£100,155	£97,209
Value of output	£521,172	£523,230	£508,020
Value added by manufacture	£254,294	£246,800	£250,908

Competition in bar soap trade continues to be keen due to an excessive number of works. Although the total value of production declined, the value added by manufacture, due to a fall in value of raw materials used, increased by £4,108.

Coach and Motor-body Building.

Official statistics, year ended 31st March :—			
	1928.	1929.	1930.
Establishments (number)	190	170	166
Employees (number)	1,469	1,405	1,522
Wages paid	£309,961	£290,153	£326,082
Value of output	£672,212	£685,948	£754,774
Value added by manufacture	£432,732	£432,995	£468,574

Reports from the South Island show a further decline in the industry. A reduced volume of sales and a decrease in the number of employees characterize the statements received. The above production figures show substantial increases due to the trade offering being greater in the standardized types of cars and vehicles than in cars and vehicles built to special requirements.

Biscuit and Confectionery making.

Official statistics, year ended 31st March :—			
	1928.	1929.	1930.
Establishments (number)	83	94	85
Employees (number)	2,640	2,734	2,883
Wages paid	£373,896	£375,140	£393,593
Value of output	£1,637,597	£1,679,990	£1,829,715
Value added by manufacture	£846,915	£643,832	£962,669

The production figures show an all-round increase; wages paid exceeded those of 1929 by £18,453, value of output by £14,725, and value added by manufacture by £118,837. Imports decreased by £10,489 for the year 1930 as compared with those for 1929. Reports from representative manufacturers state that the volume of sales has declined for the current year, necessitating the curtailment of staff. One company contemplates the manufacture of other lines associated with the confectionery industry not previously produced in the Dominion.

Furniture and Cabinet making.

Official statistics, year ended 31st March :—			
	1928.	1929.	1930.
Establishments (number)	343	331	334
Employees (number)	2,708	2,675	2,774
Wages paid	£522,923	£515,566	£541,235
Value of output	£1,318,957	£1,342,948	£1,381,995
Value added by manufacture	£752,261	£756,285	£783,322

Production figures show a decided improvement over those of the previous year. Reporting on the current year, manufacturers generally have experienced a substantial falling-off in trade, due to present economic conditions.

Ham and Bacon Factories.

Official statistics, year ended 31st March :—			
	1928.	1929.	1930.
Establishments (number)	41	45	45
Employees (number)	394	374	396
Wages paid	£98,739	£90,539	£94,270
Value of output	£1,041,910	£989,672	£1,156,621
Value added by manufacture	£334,475	£298,049	£319,178
Cost of materials used	£707,435	£691,623	£837,443

The report of the Department last year intimated that an improvement would be recorded in the 1930 production statistics. The above figures have confirmed this forecast, the following increases being recorded: Wages paid, £3,731; value of output, £166,949; value added by manufacture, £21,129.

Bricks, Pipes, Tiles, and Pottery making.

Official statistics, year ended 31st March :—			
	1928.	1929.	1930.
Establishments (number)	71	67	66
Employees (number)	1,300	1,233	1,156
Wages	£295,848	£278,965	£248,429
Value of output	£680,220	£666,450	£645,209
Value added by manufacture	£650,999	£640,916	£614,091

The above statistics reflect the decline in building activity. Reports from various centres for the current year show a further decrease in output, resulting in the production figures for the year ended 31st March, 1931, again showing a recession. It is gratifying to report an increase in sales of New-Zealand-made sanitary ware.

Flax-milling.

Official statistics, year ended 31st March :—	1928.	1929.	1930.
Establishments (number)	70	60	57
Employees (number)	1,020	879	903
Wages paid	£181,304	£145,348	£147,830
Value of output	£402,421	£329,340	£319,369
Value added by manufacture	£310,116	£259,856	£234,760

Rope and Twine Making.

Official statistics, year ended 31st March :—	1928.	1929.	1930.
Establishments (number)	7	8	5
Employees (number)	225	218	219
Wages paid	£45,680	£41,834	£41,858
Value of output	£214,344	£187,730	£191,396
Value added by manufacture	£98,660	£81,519	£80,820

The flax-milling industry continues to show a further substantial decline in exports both as regards value and quantity. The depression in the hemp industry is world-wide, and in common with other fibres a smaller demand, with lower prices, is being experienced for the New Zealand product.

The export figures for fibre and tow also show a continuous decline during the last five years, as is shown by the undermentioned figures :—

Year.	Tons.	£
1926	20,798	289,603
1927	19,600	535,526
1928	15,683	394,450
1929	14,720	379,942
1930	9,493	221,923

Clothing.

Official statistics, year ended 31st March :—	1928.	1929.	1930.
Establishments (number)	215	228	237
Employees (number)	7,101	7,501	7,852
Wages paid	£869,952	£943,198	£970,017
Value of output	£2,507,446	£2,691,690	£2,811,013
Value added by manufacture	£1,198,064	£1,359,753	£1,419,696

Imports, calendar years :—

Apparel and ready-made clothing (including fur clothing)	£2,185,134	£2,267,326	£2,091,894
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New Zealand factory production continues to show substantial increases; value of output increased by £119,323, value added by manufacture by £59,943, wages paid by £26,819. Imports decreased by £175,432, or 7·6 per cent., when compared with value imported in 1929. Of the decrease in imports the United Kingdom accounted for £99,570; France, £42,883; and the United States of America, £12,118. Manufacturers allege that the dumping of end-of-season goods from exporting countries and the importation of shoddy material are serious competing factors under present conditions. While manufacturers generally report depressed conditions, some branches of the industry report the position to be satisfactory, these including those engaged in the manufacture of fur goods, hosiery, and shirts.

Agricultural and Dairy Machinery and Implement Making.

Official statistics, year ended 31st March :—	1928.	1929.	1930.
Establishments (number)	25	26	31
Employees (number)	779	826	963
Wages paid	£168,483	£183,266	£211,383
Value of output	£610,136	£800,911	£844,880
Value added by manufacture	£320,848	£383,597	£420,889

The above figures show substantial increases in 1929–30. The implement-manufacturers, however, report depressed conditions for the current year, due to a large extent to the serious fall in the prices of primary products and to the consequent reduction in the purchasing-power of the farmers. Import figures for drills and sowers show a substantial increase of £10,236, the recorded value being £20,129, an increase of over 50 per cent., and, to a lesser extent, the imports of ploughs have increased by £417. With these two exceptions, the other headings of imports show decreases amounting to £12,401, a reduction in these items of 33½ per cent.

Woollen-manufacturing.

Official statistics, year ended 31st March :—			
	1928.	1929.	1930.
Establishments (number)	12	12	12
Employees (number)	2,451	2,576	2,478
Wages paid	£381,561	£399,560	£364,549
Value of output	£1,209,150	£1,236,578	£1,085,279
Value added by manufacture	£627,305	£647,699	£612,793

This industry reports depressed conditions, sales having declined and staffs having been reduced. Imports have also decreased by the substantial amount of £120,393, due in some measure to bank exchange rates operating adversely against imports. At the present time a demand is being experienced for knitting-wools for home-made garments. The import figures given hereunder indicate the competition from overseas in woollen, cotton, silk, and artificial-silk piece-goods. All these competing fabrics show substantial decreases, the total decrease for the three groups being no less than £419,053.

Piece-goods.	1927.	1928.	1929.	1930.
	£	£	£	£
Artificial and pure silk	831,782	1,001,569	1,211,335	1,020,019
Woollen	787,986	785,593	742,649	622,256
Cotton and linen	1,794,847	1,863,355	1,841,997	1,734,653

Printing and Publishing.

Official statistics, year ended 31st March :—			
	1928.	1929.	1930.
Establishments (number)	346	358	350
Employees (number)	8,053	8,322	8,255
Wages paid	£1,805,690	£1,838,262	£1,859,182
Value of output	£4,411,052	£4,642,725	£4,772,811
Value added by manufacture	£3,276,179	£3,476,787	£3,569,680

The production figures show substantial increases, value of output increasing by £130,086, value added by manufacture by £92,893, and wages by £20,920. Competition is reported as being extremely keen, due, it is stated, to smaller volume of business offering. Some establishments have been compelled to reduce staffs, and conditions generally for the past year have not been bright.

Brush and Broom making.

Official statistics, year ended 31st March :—			
	1928.	1929.	1930.
Establishments (number)	9	10	14
Employees (number)	223	215	239
Wages paid	£38,192	£40,332	£41,733
Value of output	£120,130	£111,898	£135,047
Value added by manufacture	£65,046	£67,074	£73,212
Imports, calendar years :—			
Brushes, brushware, and brooms	£76,291	£81,963	£78,003

The above figures for 1929–30 show a substantial increase in value of output of £23,149 as compared with the figures for the previous year. Value added by manufacture also shows an increase of approximately 10 per cent. Conditions are described as sluggish. Competition is keen; the number of employees has decreased; and prospects are not bright. Complaint is made of the prevalence of dumping of overseas brushware.

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