

Unprofitable Delay in Building

Over a year ago, in reviewing the position of the building trade, we suggested that it was unwise to postpone the erection of useful buildings required for trade purposes, because things would not get any better for quite a long time after the war ended. The first call upon the manufacturers of structural ironwork will be to assist in the restoration of stricken Belgium and Northern France. The industrial resources of those districts will be left crippled by the enemy, and it will be necessary to get supplies from England and America. Manufacturers, apart from the humane consideration of giving help where it is most needed, will prefer to do business at short range, and remote New Zealand will come last. Most business people are recognizing at last that it is folly to wait till after the war before extending their premises. It is realized that for some time after the war, prices of building material, high as they are at present, will not diminish, consequently in Wellington at least, there is considerable activity in the building trade, the work being principally big contracts for business premises. In our opinion, the enterprising owners are wise to get ready for extended business after the war. Everyone will be rushing into the field when peace comes, but the courageous people who have ventured upon building when conditions appeared unfavourable will reap the reward, and also have the satisfaction of knowing that the more timid owners will not be able to get the work done at a lower rate even though they wait till after the war.

State Fire Insurance

The war-time experience of the State Fire Insurance Department goes to show that there is something in the familiar suspicion that fires are not all accidental, and that more happen in bad times than when things are flourishing. Building is so expensive and materials so scarce just now that fires would constitute a more than ordinary waste and dislocation of business. Is it not curious, then, to find in the annual report of this department the following reference to the losses during last year?—The loss-ratio of 28.22 per cent. for the year is remarkably low, and may be regarded as quite abnormal. It is just over 10 per cent. lower than the lowest previously experienced, and not much (if any) above half the average normal loss-ratio for the whole fire-insurance business of the Dominion. It would appear from our loss-ratio for the past two years that the war has had a marked influence on the destruction of property by fire. I trust that this influence may be permanent. As a consequence the State Office made a record profit. Its financial record shows that during the first six years of existence the State Fire Insurance Department had to absorb about half the premium income to meet losses by fire, but during the latest six-year period, the ratio of loss to premiums was 42.1 per cent. This department has under consideration the erection of a very fine head office building in Wellington which will be an architectural credit to the Dominion, but the report of the general manager mentions that no progress has been made with the proposed buildings. The Government has not deemed it advisable to authorize proceeding with

the work under present conditions. The business has outgrown the present premises, and it has been found necessary to fit up a one-storey brick building in Waring Taylor Street, on the site purchased in 1915, to house the staff. This is at best but temporary, and will not obviate the necessity of proceeding with the proposed building as soon as the work can be carried out at a reasonable cost.

Learning a Vital Lesson

The amount of discussion in English motoring and other commercial journals about the methods of extending English trade in motors after the war suggests that the British manufacturer has been shaken out of his exasperating attitude of complacency, and that he is really "coming down to earth" on this vital subject. We hear a good deal about imperial federation by a family compact of mutual tariffs, but if that is going to result in the colonial user having to take on unsuitable English motor cars because it is protected by a tariff from the competition of a rival providing us with better value in utility, then we shall be paying very dear for our sentiment. However, as we have said, there is a more receptive attitude in the Homeland, and a serious determination to provide the colonial user with a car suited for colonial use. We want very few of those superb engineering productions which require a mint of money to put right if they go seriously wrong. What we prefer is a car with good road clearance, capable of taking corners such as are never dreamt of on English roads; and above all, the colonial agents should stock replacements. The trouble about spares in the past has been that the sales of any particular type of car in any one colony have not warranted stocking replacements. The ability to order spares from a catalogue, spares which can be fitted by the owner, has made many New Zealanders decide against the grain, for a non-British car. We hail with much satisfaction the establishment of the associated British machine tool makers as a shrewd step along the road to success in the overseas market. Few firms have placed their interests in certain vital matters, without amalgamating capital and management. They have come to a mutual understanding as to what types of machine tools they will make, and they will combine to establish offices and stores all over the world. If they decide to do business in New Zealand, instead of sending out ten agents, they will send one well supplied with samples, well equipped with a stock of replacements. Why not an association of British motor car manufacturers on the same lines? They could standardize most of the car parts, provide plenty of variety in the bodies to suit individual tastes, and do enough business to warrant a good turnover in spare parts. The mere guarantee of prompt supply of replacements would be an enormously useful selling argument, and the standardizing of wheels, engines, and transmission would effect big economies in the initial cost, as well as upkeep. Perhaps the British manufacturer does not realize how hard-worked is the average country-driven car in New Zealand. It performs wonderful feats of endurance, and runs daily risks of serious damage which many cars in England never have to face.