

under the eye of business men, investors need have no hesitation in placing some of their resources at the disposal of the Government on the fair terms offered.

The Flourishing Exchequer

As to the general financial position, New Zealand seems to have come out of the strain and stress of war in excellent trim. Sir Joseph Ward, with an anxious eye upon the aftermath of the struggle, commenced at an early date to build up a reserve. The "rainy day" may come, but as the Imperial purchase scheme for our principal export commodities goes on for nearly two years, the dark clouds may well be over by the time we have to face the world's market on a competitive basis. Last year's revenue of the Consolidated Fund was £2,167,172 in excess of the estimate (thanks to an enormous increase in the income tax returns), while expenditure was less than estimates to the extent of £1,332,636, enabling the enormous surplus of £3,678,773 to be carried forward. The Finance Minister under normal conditions would have to reduce taxation with such a large surplus at his disposal, but he will no doubt follow the war policy—a sound one for which we have the strong British precedent of paying as much as possible of war expenditure out of revenue—and apply the surplus to the war reserve, which will then total nearly fifteen and a-quarter millions. Here is a huge sum for future disposal. If it is first applied towards a reduction of our obligations to the Imperial Government, there would be little or no criticism, and under the Peace terms we may reasonably hope to expect a return of some portion of our war expenditure, which totals approximately 64 millions, from the indemnity at some future date. The whole position shows that the Dominion has a strong finance, and that money will not be the most troublesome factor in our future plans of development. The greatest difficulty will be in getting a good supply of labour for road-making and the hydro-electric schemes. In view of this we are surprised that New Zealand has kept its immigration policy—if it has one—so quiet, while other parts of the British Empire have commenced a very thorough effort to attract suitable immigrants from the Old Country. Perhaps this important question is held up, like many others, through the absence of our "main-spring" politicians, the National Government leaders. Then may they soon return!

Britain's Industrial Awakening

World-wide labour troubles threaten to gravely hamper after-war construction and development, but one of the most hopeful signs affecting the Empire is the effective way in which British manufacturers have planned to retain what they won of Germany's special trade lines. The world relied almost wholly on Germany for magnetos, and it is an open secret that if there had not been exceptionally large stocks in the Borsche magneto warehouses in England when war broke out, the British army would have been seriously hampered in the provision of motor transport and aeroplanes. Now, thanks to the urgent demands of the war situation, the British magneto industry is on a sound footing, having a large

and absolutely reliable output. During the period of the war, the Government wanted practically all the magnetos that could be turned out, and many of the smaller manufacturers in the metal-working trades undertook sub-contracts. The combined output of all the British firms is estimated at about 30,000 a month as compared with 100 before the war. Present production, it is expected, will be doubled in the near future, for the industry is growing very rapidly. Now they have a thorough grasp of the business, British magneto manufacturers will not be content with the home market merely; they will expect to develop a good export trade. What a production of 30,000 British magnetos a month means may be seen from the fact that the pre-war output of the German magneto, which was known the world over, was about 24,000 per month. Magnetos have been much simplified, and all the principal firms are working in conjunction with the British Engineering Standards Committee, so as to achieve interchangeability of product. We have been so accustomed to German pianos in the Australasian colonies that it comes as even more of a surprise to find that the great hardware manufacturing centre, Birmingham, is entering upon big schemes for a home and export production of first-class instruments. It has always been a big producer of piano-wire—now it will provide the whole piano. It boasts possession of the most scientifically-equipped battery of timber drying kilns in the country. By their aid the seasoning of timber, which, with the old-fashioned methods, would take three years, can be accomplished in a fortnight. Standardisation and specialisation are the new watchwords in this industry, as in so many others.

Casein Products

There is a growing output of casein from New Zealand, and our readers will be satisfied to learn that Germany need not in future be our market. Casein, unlike vulcanite its rival, is non-inflammable, and, weight for weight, is stronger than wood. Though less tractable than vulcanite, it carries a much finer polish. The utilisation of casein is one of Britain's new industries. Before the war, it was almost entirely in German hands. They had stumbled upon it through the efforts of a French scientist to produce something which would serve as a substitute for ivory in piano keys. Birmingham is the chief casein manufacturing centre, and its factories are now sending forth in large quantities fancy buttons, buckles, umbrella handles, pencil cases, pen-holders, combs, backs of brushes, hangles, vanity bag frames, knife handles, picture frames, coloured beads, brooches, hat pins, cigarette holders, and many other similar articles made of the new substance, either alone or in combination with metals. It is, moreover, being used for carriage and motor car fittings, and is proving very useful as an insulator in aeroplane construction. The goods Birmingham is making are claimed to be superior to anything Germany has produced, and with equal labour conditions and no dumping, there is no reason why they should not keep the position they have won, and extend the trade too, if the output of raw material keeps pace with traders' ambitions. It took English manufacturers two years to make a business proposition of casein, the most ticklish part of the problem being the development of the polishing plant.