

Production has been limited to some extent by the amount of sterling or dollar funds available, which is unavoidable. Certain luxury trades have felt this restriction most. In general, the effects have not proved unduly severe.

Unfortunately, as the year progressed, the shipping position deteriorated, and the non-delivery of orders placed by manufacturers has affected production. This difficulty, combined with the difficulty involved in obtaining export licenses from overseas countries, has placed a limit on expansion through resulting shortages in supplies or raw materials. Overseas prices of most raw materials continue to show substantial increases. Plant for expansion purposes is limited, as the emergencies of the war situation make it imperative that plant of a nature essential to the maintenance of output in non-luxury lines only is imported.

Factories engaged in the production of military requirements for the most part worked extended hours. In industries not directly concerned with the war effort output, having regard to existing conditions, has been surprisingly well maintained.

Summarizing, it may be said that manufacturing industries have experienced a satisfactory year, despite the obvious difficulties. In some instances positions assured under the Import Control Regulations have been consolidated by extensions in plant, with consequent increases in output. In other instances plans for expansion have been shelved until more favourable conditions prevail. In all sections the resolution to carry on is recorded, and in expressing confidence in the future manufacturers anticipate that they will play no small part in the economic rehabilitation of the country when victory is won. In the meantime it is recognized that, after giving preference to the requirements of the armed forces, it is necessary to produce to the utmost for civilian needs.

#### COMMENTS ON MANUFACTURING INDUSTRIES.

##### *Woollen-mills.*

A year of peak production has been experienced, with double shifts being worked in order to keep up to schedule with deliveries of military contracts. In view of the precedence given to the clothing requirements of the armed forces it has not always been possible to meet the demand for civilian requirements from New Zealand mills, but this position has been alleviated to some extent, by the material relief which has been granted to clothing-manufacturers by way of import licenses for woollen piece-goods. It seems unlikely, however, that civil trade will show much diminution on the demand side for some time, despite the numbers of men in camp, and this repercussion on trade will presumably be not felt by the mills unless and until current civil orders held can be satisfied. Among other raw materials which have been difficult to obtain have been dyes of all kinds and elastics.

##### *Clothing-factories.*

Conditions in the clothing trades have been satisfactory. Many firms have been working to capacity, accounted for mainly in the production of military clothing. The withdrawal of men from civil life has affected smaller units principally. One of the factors affecting the trade has been the inability of domestic mills to supply manufacturers with full requirements of piece-goods, owing to the former's preoccupation with military orders, this causing some firms to rely on larger quantities of imported materials than would otherwise be the case.

Fairly good conditions have been experienced in the production of women's lines, although considerable competition has been evidenced in cheaper grades. Firms catering for the model-frock trade have been exceptionally busy. Temporary shortage of supplies from overseas and shortages of female labour have been experienced.

##### *Knitting-mills.*

Most mills are working to capacity, and overtime has been worked on numerous occasions, the only retarding factors being a shortage of yarn and the difficulty of obtaining female labour. Deliveries of yarn are now reported to be coming forward fairly regularly.

##### *Hosiery-mills.*

Business has been good, some units reporting that strenuous efforts are being made to increase production to bridge the gap which still exists between the demand and supply of hosiery. Additional plant has either been installed or arranged in some cases.

##### *Fur Dressing and Dyeing.*

Consequent upon the reduction of stock of imported dressed skins, demand has shown an exceptional increase for the past year. Although difficulties have been experienced in obtaining continuity in supplies of imported chemicals, it appears evident that manufacturers have pursued every avenue to cope with the demands of furriers.

##### *Buttons.*

Considerable expansion has occurred in the Auckland factory, and, although output has greatly increased, demand still far exceeds the available output. This firm has occupied a new factory and now employs considerably more staff. New units in Wellington are also doing useful work in meeting the demand.