

The Government's policy of stabilization has meant that the prices of a very large range of commodities could not be increased in price, and where the costs of these commodities have risen it has been necessary to investigate alternative methods of meeting such increased costs. Consideration has been given to the possibility of effecting savings in costs of production and distribution, and to the ability of producers or distributors to absorb some or all of the additional costs. Where none of the above alternatives has been available or was inadequate to meet the full extra costs, the payment of subsidies has been arranged by the Stabilization Commission. In many cases such subsidies have been administered by the Tribunal.

MANUFACTURING : GENERAL COMMENTS

In general it can be said that factories have continued at a high level of production during the year under review. Whilst military contracts still absorb a great deal of the time of the manufacturing units, civilian requirements are being met as far as shortages of labour and materials will permit. Most military work is well in hand, and, where possible, manufacturers are endeavouring to cope with the heavy demand for essential civilian consumer goods. Temporary shortages of raw materials still persist as is understandable during a war period, but in general the supply position is easier and manufacturers are in a position to make forward plans knowing that supplies of raw materials are assured.

This report covers manufacturing industries in the fifth year of war, and the factor of paramount importance is man-power. There is a general shortage of skilled machine operatives in all classes of industries, and this is especially noticeable in the clothing, footwear, and engineering trades. Generally factories are short of labour, causing the necessity for continued overtime.

Considerable additions to plant, machinery, and buildings have been made in an endeavour to meet the demand for commodities urgently required for war and essential civilian purposes. Tanneries, rubber-mills, footwear-factories, and woollen-mills have shared in this expansion.

The war has emphasized the tremendous importance of the policy of fostering the growth of manufacturing industries. It is particularly gratifying to note the manner in which our manufacturers have risen to the occasion and have supplemented the United Nations' flow of goods, both for the Armed Forces and for essential civilian usage. In many cases this has meant the sending overseas of New-Zealand-made goods which had not previously been exported. All exported goods have had to measure up to a strict specification, and in general it can be said that the quality of our manufacture has borne most favourable comparison with the products of countries which have had the advantage of long experience in the manufacturing industries.

In addition to the manufacturing of standard lines for which we have the appropriate industries set up, many new lines have been undertaken with inadequate manufacturing-facilities to fill in the gap before the arrival of goods on order overseas. This was particularly noticeable during the early years of the war, but problems of this nature still continue to crop up from time to time and constitute tests of ingenuity which in the main have proved capable of solution by our industrial community. It is obvious that war shortages would have been more acute and the strain on shipping-space would have been heavier if we had been without the plant and trained personnel which constitute the basis of our manufacturing power.

Comments on some of the more important industries follow :—

Clothing.—The impression throughout this trade is that generally production has decreased somewhat, in the main due to labour shortage. Military contracts are smaller, but lack of competent machinists has resulted in slightly decreased total production. The concentration of the industry on military requirements during the past few years is now showing its effects in the keen demand for civilian clothing of all descriptions, and this is especially apparent in underwear and similar apparel. However, factories generally are comparatively up to date with defence contracts, and an improvement in the supply of apparel for civilian use may be expected. While imported materials continue to be in short supply, the shortage is being overcome largely by the improved supply of locally-manufactured textiles (especially suitings and similar lines). Manufacturers have made substantial additions to their buildings and plant in the past year, which will enable them better to cope with future demands for their products.

Buttons.—The production of buttons has increased by approximately one-third over that of last year, although considerable trouble is still being experienced in obtaining sufficient materials for the manufacture of all types of buttons.

Knitted Wear.—The demand for knitted wear of all kinds has increased, and 1943 turnover was considerably in excess of 1942 figures, in spite of the shortage of skilled operators.

Men's Hats.—Hat-manufacturers report that the out-turn of men's hats per unit has increased by approximately 15 per cent. over 1942 production, and that military orders in most factories are still being manufactured, although not to the same extent as in 1942.

Tanneries.—The extensions to the tanneries sponsored by the Department have been virtually completed. The average output of hides has been maintained at the level reached last year, but it is contended that production could be increased if the necessary labour were available. Here the seasonal demand of freezing-works and similar occupations has an appreciable effect on the labour available. Sufficient heavy leather is produced, however, to meet the demands of the footwear and allied industries under present conditions.

Confectionery and Biscuits.—A large proportion of this type of manufacture continues to be absorbed in supplying the Armed Forces. It is maintained that adequate supplies of plain varieties of biscuits are being manufactured, although, of course, fancy lines depending on ingredients normally imported from overseas cannot now be obtained.