

1944
NEW ZEALAND

DEPARTMENT OF INDUSTRIES AND COMMERCE

(TWENTY-SEVENTH ANNUAL REPORT OF THE)

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

YOUR EXCELLENCY,—

Wellington, 20th July, 1944.

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.,

D. G. SULLIVAN,

Minister of Industries and Commerce.

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

SIR,—

Wellington, 22nd June, 1944.

I have the honour to submit the annual report of the Department of Industries and Commerce. This report deals with the work of the Department since the previous report was placed before Parliament, and covers the period ended 31st March, 1944.

I have, &c.,

L. J. SCHMITT, Secretary.

The Hon. D. G. Sullivan, Minister of Industries and Commerce.

PRICE CONTROL

THE activities of the Price Tribunal in the control of the prices of goods and services, which were commenced in September, 1939, have been intensified. The number of officers and inspectors has had to be increased to cope with the greatly increased volume of work which has resulted from the activities referred to below. The control of the prices of many commodities has been consolidated by the issuing of a further 89 price orders, which brings the total number issued to 216.

On the 12th January, 1944, Amendment No. 4 of the Control of Prices Emergency Regulations 1939 came into force. This amendment is designed generally to strengthen the Tribunal's control of prices. By it the powers of a local authority entitled by any Act to fix or approve the prices charged by other persons become subservient to the powers of the Tribunal. The authority of the Tribunal to "declare" goods and prohibit their sale pending the fixation of approved prices is extended to apply not only generally, but to any particular person or goods. In addition, the amendment contains clauses designed to simplify procedure.

Reference was made in the last annual report to the power given to the Tribunal to prohibit the sale of declared classes of goods unless approved prices had been obtained. This power has been exercised in respect of most lines of clothing for men, women, boys, and girls, footwear, knitting-wools, blankets, mattresses and pillows, cotton and linen piece-goods, stationery, watches, and furniture. The declaring of the wide range of goods involved a great increase in the volume of investigational work required, and a consequent increase in the number of officers required to check the costs.

A recent Price Order requires retailers of vegetables and fruit to place tickets on their goods showing the retail prices. This method of informing the public of approved prices is being adopted in all appropriate cases.

The Tribunal has continued to co-operate fully with the Standards Institute in formulating standards for various commodities, in order that more effective control may be maintained over not only the prices of commodities, but their values as well.

The increase in the staff of inspectors has resulted in a more effective policing of the regulations, and to date Court proceedings have been taken in 1,116 cases, resulting in 1,104 convictions and 12 dismissals. The total fines imposed amounted to £5,115.

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.

Brushware.—Production has fallen to a slight extent, the absence of youthful labour being partly the cause. Millet has been in short supply, but locally-produced substitutes have been used to eke out the supply position.

Engineering Industry.—The calls on the engineering industry have been very heavy and the production has been limited to some extent by man-power available. The shortage of skilled tradesmen such as fitters, turners, moulders, &c., has been apparent for some considerable time, and many process workers have been trained and used to carry out operations where the type of work involved made the use of process workers practicable.

The farming-out of work by the larger firms to smaller engineering establishments has been encouraged and has been carried out where possible, having regard to the type of machines and personnel available at the smaller places.

Where the production of a large number of components is required, such as hand grenades, mortar-bomb bodies, &c., the system of grouping of machines and staff under one roof has been found to be the best method, both from the point of view of costs and volume of production.

The main items being dealt with by the engineering industry are as follows:—

Munitions, such as hand grenades, mortar-bomb bodies, 2 in. trench mortars, M.G. carriers and spares, clinometers, fuse components, tool and gauge making:

Agriculture.—The manufacture of farming-implements and maintenance of same as required to maintain primary production:

Dairy.—The manufacture of dairy-factory equipment, milking-machines, &c.:

General equipment as required overseas by United Nations, such as concrete-mixers, hydraulic jacks of various types, water-valves (large quantities), air-line lubricators, &c.:

Maintenance of other industries, such as woollen-mills, freezing-works, clothing and footwear factories, gold-dredges, &c.:

Shipping.—Refitting and overhaul of both naval and merchant vessels:

Motor-vehicles.—Maintenance of motor-vehicles, especially as regard those used in primary production and by the Armed Forces:

General stores for Armed Forces, such as buckets, cooking-utensils, &c.

It is interesting to note the general advance made in various branches of the industry which has been brought about largely by war conditions and the necessity to produce goods that are not now available from overseas.

Precision engineering, such as the manufacture of dies for plastic moulding, rubber moulding, &c., the making of production gauges, and small tools has been undertaken on a scale not hitherto attempted. This has been assisted to a large extent by the provision of up-to-date tool-room equipment by the Government and placed at the disposal of approved firms.

There is now considerable capacity for the die-casting of both brass- and zinc-base metals. This capacity has been used for the most part for the manufacture of munitions, but will no doubt gradually become available for other purposes.

Tinsmiths.—The position as regards supply of material in this industry is completely controlled. The trade continues to produce to the full extent allowable under the present conditions of supply of material (mainly tinplate) and labour.

Rubber.—The period under review has been a time of considerable extension in the rubber industry. The major innovation was the commencement of manufacture on a large scale of reclaim rubber. The Christchurch factory came into full production during the course of the year, and the Auckland factory also increased output. Total production from the two reclaiming factories was in the neighbourhood of 700 tons, which was used mostly in the manufacture of battery boxes, B grade retreads, soles and heels, and general mechanical lines. A second unit entered on the manufacture of cycle tires and tubes, which had the effect of easing the supply and distribution problem. A Christchurch factory has now attained a production level of some four hundred pairs of gum boots per day.

Boxes, Wooden.—This industry has experienced a fairly difficult year with staff, timber, and transport problems. While the demand for some lines has decreased, others have improved. One large firm contacted stated that their output of butter-boxes and vegetable-crates is up, while biscuit-crates and cheese-crates have fallen away.

Bricks.—Two companies, who also make pipes, report shortages of coal and labour. There are millions of bricks on order, and they cannot keep up with the demand.

Cartons and Cardboard Boxes.—All firms manufacturing these lines advise considerable expansion of business during the past year. One firm reports that carton-production has increased 200 per cent. since 1939.

Covers and Tents.—The firms engaged in this particular industry are still working on defence contracts. The only comment that several of the canvas-manufacturers have made is regarding the lack of skilled canvas machinists for this industry, and most firms have as much work as they can handle with their present staffs. A considerable amount of overtime has been worked during the past year.

Furniture.—The furniture trade, like so many others, has been acutely affected during the last year by the shortage of labour and materials. With a gradual slackening off of Defence furniture orders, the labour position may ease up as far as household furniture is concerned.

Glassware.—Production has shown a marked increase. Considerable difficulty is experienced in maintaining a supply of raw materials, and labour shortage has been continuous.

Porcelain.—Production has increased almost 50 per cent. A new factory is almost ready, and this will enable a further heavy increase to be made. Cups should come through at the rate of 10,000 per day and saucers at 5,000 per day; 1,500,000 cups were made in twelve months, and the manufacturers expect to make 2,500,000 cups this coming year. Up to the present there is a satisfactory supply of labour in the district for this work.

Soap and Candles.—Soap-production has increased, Defence orders taking 20 per cent. Production of candles is about the same, 60 per cent. being Defence orders. The necessary labour is hard to obtain to keep up output.

Roofing-tiles.—The general position is that production has decreased owing to shortage of labour. The bulk of the output is required for hospitals, State houses, &c., and only a small quantity for civilian use.

Toothbrushes.—Companies have been fully engaged over the past year, mainly on the production of toothbrushes for the Military Forces of the Eastern group. In addition to this, contracts on behalf of the Army have been undertaken by these firms for the manufacture of bullet-tips and radio-dial parts, while considerable activity in the production of tail combs and civilian toothbrushes has also been recorded.

Woodwork.—Defence orders and essential household and kitchen lines account for practically the whole output during the last year. Timber and labour shortages and the household furniture control have resulted in the cutting-out of all ornamental and luxury articles hitherto made in considerable numbers by wood-turners and others, and considerable economies have resulted.

Linseed-oil.—The manufacturing company advises that the full production schedule is being maintained. No difficulties either with respect to raw materials or man-power are being experienced.

Ranges and Stoves.—Wartime production has been maintained, although difficulty has been experienced in obtaining certain specialized small parts. A steady trade is being maintained in the servicing of ranges, grates, &c., already installed.

USE OF SUBSTITUTES

Local firms have proved particularly adept in the use of substitute materials and the evolution of alternative processes. The opinion is freely expressed that many invaluable lessons in efficiency and curtailment of waste have been learned through sheer necessity. The realization that the generally-accepted method of procedure is not invariably the shortest or most efficient is all to the good both from a present-day and post-war point of view.

Examples of utilization of substitute or scrap materials are—

- (a) Ferrous metals for non-ferrous in production of plated spoons :
- (b) Plastic material for button-production in lieu of metal.
- (c) Increasing use of wood and glass for articles of domestic use :
- (d) Re-use of milk-powder tins for production of billies, tin kettles, &c.
- (e) Use of case strappings for manufacture of bird-cages, rat-traps, soap-holders, &c.
- (f) Utilization of linen-flax tow to some extent as a substitute tow in fibrous-plaster and furniture production.

BUREAU OF INDUSTRY INDUSTRIAL EFFICIENCY ACT, 1936

During the year a few changes took place in the personnel of the Bureau. Mr. C. R. J. Atkin found it necessary, consequent upon his promotion to the position of Accountant to the Treasury, to tender his resignation, and his place was taken by Mr. D. W. A. Barker, Investigating Officer of the Treasury. Mr. E. J. Fawcett, who was appointed Director-General of Agriculture during the year, was compelled, on account of his many and varied duties, to relinquish his position on the Bureau, and Mr. R. B. Tennent, Assistant Director of Agriculture, was appointed to replace him. Mr. C. M. Bowden, special member representing manufacturers' interests, who was elected to Parliament at the last elections, has found that such calls are now being made on his time as to necessitate his relinquishing his position on the Bureau. His resignation has therefore been accepted with regret by the Minister and the New Zealand Manufacturers' Federation has been asked to nominate a suitable appointee in his place.

During the period under review the Bureau of Industry met thirty times. The Executive of the Bureau also met on a number of occasions to give consideration to matters of an urgent nature. The total number of applications for new licenses, transfers of licenses, extensions of licenses, &c., dealt with was 1,166, classified hereunder according to the industries concerned :—

| | | | |
|---------------------------------------|-----|--------------------------------------|---|
| Fisheries | 647 | Nail-manufacture | 2 |
| Petrol reselling | 314 | Fruit and vegetable canning | 2 |
| Footwear | 125 | Apple-juice | 2 |
| Pharmacy | 36 | Gut | 1 |
| Paper-pulp and products | 8 | Asbestos-cement products | 1 |
| Fruit and vegetable retailing | 7 | Wooden heels | 1 |
| Fish-liver oil | 7 | Macaroni | 1 |
| Phormium-flax milling | 4 | Linseed-oil and linseed-cake | 1 |
| Radio | 3 | Rope and twine | 1 |
| Malt extract | 3 | | |

Licensing.—The policy of licensing industries only where it is clearly in the general economic interests of the Dominion has been maintained, consideration being given not only to the interests of a particular industry, but also of the public as a whole.

At the time of submitting last year's report there were thirty-five licensed industries. By the Industry Licensing (Fish Oil) Notice, dated 30th June, 1943, the industry of "the extraction from fish livers of nutritional or medicinal oils" was also brought within the licensing provisions of the Act. Hereunder is a list of the industries licensed as at 31st March, 1944 :—

| | |
|--|---|
| Manufacture of agar. | Gut. |
| Manufacture of apple-juice. | Linseed-oil ; <i>or</i> |
| Manufacture of asbestos-cement. | Linseed-oil cake. |
| Manufacture of batteries—dry cell. | Manufacture of macaroni. |
| Manufacture of bituminous roofing. | Manufacture of malt extract. |
| Manufacture of cement. | Manufacture of nails. |
| Manufacture of cigarette papers. | Taking of oysters from oyster-beds. |
| Manufacture of colloidal sulphur. | Paper-pulp and paper products. |
| Dehydration of plants for medicinal purposes. | Sale by wholesale of petrol. |
| Extraction from fish livers of nutritional or medicinal oil. | Retail sale and distribution of petrol. |
| Fish-canning. | Petrol-pumps. |
| Export of fish. | Pharmacy industry. |
| Sale by retail of fish. | Manufacture of radios. |
| Sale by wholesale of fish. | Manufacture of electric ranges. |
| Taking of fish for sale. | Manufacture of rennet. |
| Flax-milling (<i>Phormium tenax</i>). | Manufacture of rope and twine. |
| Manufacture of footwear. | Manufacture of salt. |
| Fruit and vegetable canning. | Manufacture of tires and tubes, rubber. |
| | Manufacture of wooden heels. |

The industry brought within the provisions of section 23 of the Act :—

The retail sale of fresh fruit and fresh vegetables.

Appeals.—The Hon. Sir Francis Frazer has continued to act as the industrial efficiency appeal authority. During the year twenty-two appeals were lodged by eighteen persons, these being classified hereunder according to the industries concerned :—

| | | | |
|-----------------------------|------|--------------------------|---------|
| Paper-pulp and products | .. 3 | Fisheries | 2 |
| Footwear | .. 1 | Petrol reselling | 3 |
| Fruit and vegetable canning | .. 3 | Malt extract | 2 |
| Fish-liver oil | .. 7 | Asbestos-cement products | .. 1 |

Of these appeals, ten were allowed, seven disallowed, three withdrawn after been partially heard, and two have yet to be heard.

Brief résumés of the principal action which has been taken during the year in regard to the more important of the licensed industries are set out hereunder :—

Motor-spirit.—For the year ended 31st December, 1943, applications to the Bureau under the provisions of the Industrial Efficiency Motor-spirits Licensing Regulations totalled 288, as compared with 237 received during 1942, and 700 during 1939. Of this number, 8 only were for new licenses, 2 of which were granted ; 179, or approximately 62½ per cent. of the total, were applications for transfers of licenses ; and 101 represented miscellaneous applications mainly concerned with variations of existing licenses. During the period, 207 licenses (including drum licenses) were surrendered or revoked.

Wholesale sales of motor-spirit during 1943 were approximately 60 per cent. of the pre-war volume. The impact of this cut was felt almost entirely by legitimate resellers, those resellers situated in urban areas having suffered to a greater extent than those in the country districts. The general position has been eased to some extent by the closing-down of a number of reselling units either on account of petrol restrictions or owing to resellers having entered the Armed Forces. The policy of the Bureau, in so far as those licensees who have been compelled to close down for either of the two above reasons are concerned, has been to conserve their licenses for them to enable them to resume operations under the licenses on their discharge from the Armed Services or when the petrol-supply position improves.

Fisheries.—In general the supply of fish continues to be adversely affected under conditions of war, and it is not anticipated that any material improvement will be seen until such time as the fishing-vessels taken over for naval service return again to augment the catches of the fishing-fleet. With the introduction of meat rationing, a heavier demand for fish has been experienced.

A substantial number of fisherman are serving with the Armed Forces, and in these cases the licenses are held in safe keeping for them until their return so that they may again take up fishing as their livelihood should they desire to do so. During recent months the Bureau have had to deal with an unusually heavy volume of applications for industrial fishing licenses, more particularly at out ports. When the full effects of the additional licenses granted are felt, it is hoped that some relief by way of additional supplies for country districts should obtain.

The following table shows the number of licenses current as at 31st March, 1944, and these are shown in the various classifications. The table also shows the number of fishing licenses held by the Bureau on behalf of members serving with the Armed Forces :—

| | | | |
|--|-------------|--------------------------|----------|
| Licensed fishermen | 1,550 | Licensed fish exporters | 25 |
| Licensed fishermen serving with the Armed Forces | 325 | Licensed fish-canners | 14 |
| Licensed fish retailers | 650 | Licensed oyster-dredgers | 11 |
| Licensed fish wholesalers | 43 | Fish-oil licensees | 4 |

Fish-liver Oil.—Under the terms of the Industry Licensing (Fish Oil) Notice 1943, dated the 2nd July, 1943, the industry connected with the extraction from fish livers of nutritional or medicinal oils was declared a licensed one under Part III of the Industrial Efficiency Act, 1936.

Since the industry was declared licensed, the Bureau of Industry has had before it for consideration several applications from various companies desirous of engaging in the industry. Licenses to carry on the industry were in the first place granted to R. Greenwell, Ltd., of Auckland, and the Karitane Products Society, Ltd., of Wellington. Both of these concerns have made considerable progress with their proposals and have carried on manufacturing operations for some time. In addition, the Bureau granted licenses to Seafoods Ltd., of Auckland, and the National Mortgage and Agency Co., Ltd., of Dunedin, these decisions being subsequently reversed by the appeal authority. In respect of three further applications—from Auckland, two; and Tauranga, one—the Bureau had not arrived at a decision. One further application was declined.

Footwear.—Since the last annual report eight meetings of the Footwear Plan Industrial Committee have been held. Since that time also two changes have occurred in the personnel of the Committee. In July, 1943, the Minister appointed Mr. S. D. Macpherson, factory supervisor, Sargood, Son, and Ewen, Ltd., Dunedin, and Mr. G. Marston, union secretary, Lower Hutt, in lieu of Mr. G. Z. Lindley, general manager, Sargood, Son, and Ewen, Ltd., resigned, and Mr. C. A. Watts, union secretary, deceased.

The need to programme requirements of civilian footwear was early appreciated by the Committee, and a civilian production plan was put into operation to ensure that urgent essential requirements were satisfied while, at the same time, allowing the greatest possible production of military footwear. A close liaison has been maintained by the Committee with the Director of Production and the Factory Controller in carrying out this programme, which has been amended from time to time as required to meet changes in military requirements.

Agar.—In the last annual report it was stated that a license to manufacture agar had been issued to the Davis Gelatine Co., Ltd., Christchurch. The company has since erected a factory and installed the necessary plant. Production commenced in July, 1943, and agar of considerably higher standard than the best-grade agar previously imported is being obtained.

Salt.—Further active steps have been taken by the Latex Rubber Co., Ltd., Christchurch, during the year to prosecute its salt-reclamation project at Lake Grassmere. The company's programme has been badly dislocated by flooding during the year, but the draining of the whole of the lake area is now being proceeded with. As soon as this work has been completed, construction of banks for the evaporation-ponds will be recommenced. The company hopes to have about half of the concentrating-ponds in readiness for evaporation next summer.

Radio.—During the year the majority of the licensees in this industry have been fully engaged on war production under the direction of the Controller of Radio Production. The Radio Control Notice, which was brought down in June, 1942, and which prohibited the making of domestic radio receiving-sets, is still in force. The Radio Plan Industrial Committee met three times during the year, when matters of general interest to the industry were discussed.

Pulp and Paper Products.—During the year all three New Zealand units continued in full swing with higher production than formerly. An appreciable portion of the outputs continued to be applied in satisfaction of requirements associated with military needs. Soft insulating-board is still being supplied to the Eastern Group Supply Council, India. During the year an amendment was made to the Licensing Notice in respect of the definition of "multi-wall bags," which is now worded to cover only the manufacture of those types of paper bags commonly known as "shopping containers."

During the year licenses were issued authorizing the manufacture of sulphite pulp, printing and writing papers, and sulphate pulp, wrapping-paper, and liner boards. When manufacture of these lines becomes effective, New Zealand will be largely independent of imported supplies with the exception of newsprint.

Rope and Twine.—Activity in this industry has continued at a high level, the general result of which may briefly be summarized as follows: All requirements of the Dominion's Armed Forces have been supplied in full; during 1943 the quantity of cordage supplied to the United States Joint Purchasing Board exceeded the normal production of cordage-factories (the quantity programmed for supply to the United States Joint Purchasing Board during 1944 exceeds the 1943 programme by a further 60 per cent.); all essential supplies for the Merchant Navy and primary and secondary industries have been maintained.

Asbestos Cement.—Only one licensee is in operation, Jas. Hardie and Co. Pty., Ltd., Auckland.

The factory for Dominion Industries, Ltd., Christchurch, is completed, and marketing on a commercial scale is just commencing.

The third licensee has not yet operated on the license granted by the Bureau of Industry.

Essential building projects have absorbed the whole local output, but small quantities are now coming available for civilian requirements.

With supply restrictions on galvanized iron, asbestos-cement roofing is filling an important place as a substitute

Phormium Tenax.—Production this year, as compared with last year, has been as follows:—

| | | | | 1943-44. | 1942-43. |
|----------------|----|----|----|----------|----------|
| | | | | Tons. | Tons. |
| Fibre | .. | .. | .. | .. 5,141 | 3,371 |
| Tow | .. | .. | .. | .. 711 | 784 |
| Stripper slips | .. | .. | .. | .. 115 | 69 |
| | | | | <hr/> | <hr/> |
| | | | | 5,967 | 4,224 |
| | | | | <hr/> | <hr/> |

This shows a very substantial increase, particularly when viewed in relation to the labour difficulties. The whole of this production of fibre and tow is at present being used in the manufacture of ropes for the Armed Forces and woolpacks.

The State mill at Westport has been in full operation for the year, and both the quantity and quality of fibre have been very satisfactory. A further State mill at Kerepahi has now been completed, and a satisfactory quantity of fibre is now coming forward from this source.

Considerable difficulty has been met in obtaining sufficient experienced labour to maintain output, and this difficulty is still present.

The Moutoa Estate, which comprises the largest single area of green leaf in the Dominion, and which was purchased by the Government, has not only been the main source of supply of green leaf for the stripping-mill at Foxton, but has provided a nursery area and experimental farm. The latter activity is under the direction of the Plant Research Bureau of the Scientific and Industrial Research Department and has already made valuable contributions to the existing knowledge of planting procedure and plant strains.

Pharmacy.—The main work of the Pharmacy Plan Industrial Committee in the past year, apart from its reports and recommendations to the Bureau on the issue and transfer of licenses, has been in the direction of smoothing out difficulties arising out of the social security pharmaceutical benefits. A close liaison has been maintained with the Department of Health in this matter, with good result.

During the year a further goodwill advertising campaign was undertaken.

As the Pharmacy Plan has now been in operation for six years, it will be of interest to review briefly the effects on the issue and transfer of licenses over the period.

There have been seventy-eight applications for transfer of licenses. One was refused, others were abandoned, and altogether sixty-eight were approved. Of these forty-seven were transfers to new owners—that is, persons who had not previously held a license, but had been working as managers or assistants. There were twenty-three applications for new licenses—eight declined. Of the fifteen granted, ten went to new owners who were not at the time holding any license.

Taking transfers and new licenses together, two-thirds of the transactions concern new owners, which is a satisfactory indication that the industry is keeping open to the younger men graduating from the ranks of the employees.

RECLAMATION OF WASTE MATERIAL

During the past year the work of salvaging materials has been well sustained and extended, the number of affiliated Boards and Committees now operating under the jurisdiction of the National Council for Reclamation of Waste Material being 135.

Publicity campaigns have been conducted during the year employing newspapers, radio, and theatre screen in addition to suitable posters covering the commodity concerned, and comprehensive plans for the continued success of the work have been framed and put into operation.

The following figures up to 29th February, 1944, give a clear indication of the scope of the work done :—

Paper to mills : 17,347 tons (including some 3,500 tons from private sources and Government offices) :

Rubber to mills : 1,820 tons (tire retreaders and processors have also shared in this distribution).

Large quantities of tin tubes (toothpaste, &c.) have been and are being recovered—details of quantities are not available as they are, in the main, disposed of locally, together with other non-ferrous and ferrous metals—but such activities are reflected in the very satisfactory total sum contributed annually to the National Patriotic Fund. Another activity which helps materially towards this end is the collection of cleaning-rags for Armed Forces and Services—a job very ably carried out with the assistance of Girl Guides. Other bodies who have done much towards the success of these efforts are Boy Scouts, school-children, New Zealand Retail Motor Trade Association, New Zealand Dairy Board, and public and transport bodies, to whom thanks are due.

The splendid voluntary work of the National Council is deserving of the highest commendation. It is anticipated that a sum of approximately £8,000 will be handed over to the National Patriotic Fund at the end of period under review, bringing the total to date to £32,482.

The Controller of Salvage has maintained close contact with all those actively engaged in the work outlined above, visiting depots and meeting Committees—the majority of visits being made in company with Mr. J. W. Collins, Chairman, National Council for Reclamation of Waste Material—smoothing out difficulties and ensuring a continuation of co-operation of various bodies who are in a position to help the effort. Other activities of the Controller of Salvage comprise periodic visits to all military areas—camps, Air Force stations, &c.—for the purpose of ensuring that internal salvage organizations are maintained in respect to elimination and disposal of waste to the nearest depot. Thanks are due to the Services for their assistance with transport in this regard. In addition, close contact is being maintained with Stores Control Board, manufacturers' associations, and industrial users with a view to locating a market and uses for discarded Service materials, obsolete plant, and/or equipment. Regular returns of scrap and unwanted material are obtained from Government Departments and other sources, these being collected, and interested Departments or other users being advised of quantities and potential uses.

Opportunity has been taken to collaborate with manufacturers to prevent waste in the first place and to salvage unavoidable waste in the second, and ensure that this is used to the best advantage. The salvage of material has proved a valuable contribution which has materially assisted industry and given a lead to the Dominion that may well be carried over into the days of peace.

Utilization.—The National Committee for the utilization of waste is a voluntary organization sponsored by the Department. Originally this body of workers concentrated on papier mâché work, making hospital and first-aid utensils for E.P.S., Red Cross, and eventually for the Armed Services. Housed in premises procured by the Department, the Committee launched out into new ventures, and in addition to papier mâché work it also undertook the manufacture of utilitarian articles from rags, tins, and other usable waste material.

Interest in this work spread throughout the Dominion, and in response to inquiries from Australia the President, Mrs. F. H. Whatley, during 1943, paid an official visit to the Commonwealth and rendered useful service there in narrating and demonstrating what is being done in New Zealand.

A very valuable work was undertaken by the Committee when it undertook, with the co-operation of the Army authorities, the repair of garments. Last year twenty thousand garments were mended, and as a result of the work done, after meeting all expenses, the sum of £630 was handed over to patriotic funds. Occupational therapy for servicemen in hospital has been fostered by the Committee, which has also provided demonstrators for educational institutions and teachers. Great credit is due to the Committee for the magnificent voluntary service rendered in so many spheres.

INDUSTRIES COMMITTEE (IMPORT CONTROL)

During the year under review the Industries Committee continued its function of assisting the Customs Department in the administration of the Import Control Regulations. Close contact with manufacturers, importers, and the various Controllers was maintained with a view to making adequate provision for the raw materials and manufactured goods essential for our wartime needs and the maintenance of a reasonable standard of living.

In March, 1944, for reasons which are dealt with fully in the report of the Ministry of Supply, the Industries Committee was merged with the Executive Advisory Committee of the Commissioner of Supply. This joint Committee continues to make recommendations to the Customs Department in respect to applications for licenses to import certain classes of commodities.

NEW ZEALAND MANUFACTURERS' FEDERATION AND DISTRICT ASSOCIATIONS

Close contact has been maintained with the New Zealand Manufacturers' Federation and the four constituent associations, and a free exchange of views has occurred on matters affecting the industrial life of the community. The Department extends its appreciation to the executive and administrative officers of the federation and associations for their continued co-operation.

STANDARDS INSTITUTE

The activities of this section of the Department are covered in a separate report.

TOBACCO-GROWING INDUSTRY

Despite war conditions, which have presented special problems, and although the programme of steady expansion envisaged by the Board has necessarily been curtailed, the tobacco-growing industry has maintained production at a high level, a record harvest having been attained during the season under review.

For five successive years the average prices received by growers were 1s. 10½d. per pound for flue-cured and 1s. 7½d. per pound for air-dried leaf.

As a result of a recent application for increased prices made to the Price Tribunal by the New Zealand Tobacco-growers' Federation, after careful investigation an increase of 1d. per pound was granted for leaf of the 1944 harvest. The average prices therefore were fixed by a Price Order issued by the Price Tribunal at 1s. 11½d. per pound for flue-cured and 1s. 8½d. per pound for air-dried leaf.

Grants toward the cost of the upkeep of the Tobacco Research Station have continued, and a live interest has been maintained in the tobacco-research programme, which is based on the maintenance of highest quality, the elimination of pests and disease, and the development of best varieties.

During the past and present seasons the inadequacy of the supply of labour for harvesting purposes threatened to become acute, but by arrangement with the National Service and Army Departments territorials were made available to the growers, thereby facilitating harvesting operations. The assistance thus rendered was greatly appreciated by the tobacco-growers.

From time to time the Board has been able to assist in procuring materials which have been in short supply but which were urgently required in connection with the production of leaf tobacco.

Statistics of Tobacco-growing.—The following table provides comparative figures for the past five seasons :—

| Season. | Number of Growers. | Acreage licensed. | Production. |
|-----------------|--------------------|-------------------|-------------|
| | | | lb. |
| 1938-39 | 342 | 2,225 | 1,423,610 |
| 1939-40 | 339 | 2,570 | 2,217,040 |
| 1940-41 | 381 | 2,963 | 3,143,355 |
| 1941-42 | 381 | 3,063 | 2,721,539 |
| 1942-43 | 360 | 2,960 | 3,185,183 |

LINEN FLAX

During the past year activities have been concentrated upon the consolidation and stimulation of production in the seventeen factories operating under the control of the Department, with the result that over 1,900 tons of line fibre and 1,150 tons of tow were produced, making a total of over 4,000 tons of line fibre and 2,200 tons of tow which has been made available to Great Britain and local manufacturers since the inception of the industry.

Production of seed during the year for the manufacture of linseed-oil and cattle cake, after making necessary reservation for resowing, totals 3,500 tons, which has made it possible to keep the linseed-oil factory up to full production.

In view of the increasing demand for various types of tow as a substitute for *Phormium tenax* for upholstery purposes and fibrous-plaster manufacturers, &c., an attempt has been made to standardize these products. With this object in view a new research station and by-products factory has been established at Washdyke, where progress is being made in the development of machinery for scutching tow rug and the conversion of otherwise waste products into upholsters' tow, and the production of a new short-staple product to be marketed under the trade name of "Linwool," which has been favourably reported on as a substitute for hair in the manufacture of under-felts.

A visit of inspection of the operations of the industry in Australia was made during the year, when mutual problems were discussed and ideas exchanged. A trial is being made of the Australian method of dual harvesting, which provides for the heading and spreading of the crop for dew retting in the one operation, which is proving satisfactory under Australian conditions. Wherever possible the harvesting of crop has been undertaken with factory labour, as opposed to the contract system, which, it is considered, will result in further economies in this operation. The present labour complement is 930, comprised of 723 male and 207 female workers.

1942-43 Season.—From the area of 21,849 acres sown, 17,487 acres, or 80.05 per cent., was accepted for line fibre, 40 acres, or 0.18 per cent., purchased for conversion into tow, together producing approximately 33,500 tons of crop, which, with the carry over of 15,874 tons for 1941-42 season, made a total of 49,374 tons available for processing. An area of 3,997 acres, or 18.3 per cent., was rejected for fibre and harvested for seed, while 324 acres, or 1.48 per cent., proved failures. During the year a total of approximately 29,000 tons was retted, leaving a carry over of 20,374 tons to process with 1943-44 crop.

1943-44 Season.—In view of the substantial carry over from previous season's crop, it was found necessary to make substantial reductions in acreages sown in certain districts, which, with the late season and abnormal weather conditions, reduced the total area sown to 9,615 acres, estimated to produce 12,342 tons of crop. In North Canterbury the severe drought conditions experienced during the growing season seriously affected linen flax in common with all other crops, and those factories dependent on supply from these areas will be unable to maintain production at full capacity.

LIBRARY AND PUBLICITY

The scope and activity of the departmental library have been considerably widened during the past year. The greatly extended development of the work of the Department, the research undertaken, and the information supplied have covered a wide diversity of subjects.

Due to the extension of New Zealand's relationships with the United States, and to enable up-to-date information to be available relating to economic and political trends overseas, several additional periodicals have been procured, in addition to official documents and newsletters forwarded by the overseas offices of the Department.

The library has acted as a clearing-house for the dissemination of information to many other State Departments, and has co-operated fully with the New Zealand Libraries Association, the Country Library Service, the General Assembly Library, and individual public libraries in procuring and furnishing information. Assistance was also given in the compilation of the cumulative book index, whereby it is possible for librarians to know what books are available and what books can be procured or should be purchased.

The technological side of the library has been extended by the accretion of new books, and an excellent variety of material is available on plastics, electrical practices, and factory layout and administration.

As in past years, close liaison has been maintained with the United States Legation and the offices of overseas Consuls for the exchange of data. Library reciprocal courtesies have been built up with the Library of Congress and the Library of the Department of Commerce and Foreign Trade, Washington, D.C. During the year a closer liaison was created with the acting Canadian Government Trade Commissioner in Auckland, to our mutual benefit.

As mentioned in our last report, the facilities of the library were offered to the New Zealand Manufacturers' Federation and its constituent associations. The New Zealand Employers' Federation sought a similar privilege, and this was granted. Full use has been made of the service, and information relating to printing has been supplied to Dunedin as also has advice regarding a technical difficulty in the manufacture of chocolate for tropical use. Publications have also been made available to herd-testing associations in Auckland, and units of the radio industry have been furnished with information.

Much research has been undertaken regarding new industrial processes for several Wellington concerns and others in Christchurch and Auckland. The library has available a volume of technical and industrial information not readily procurable from other sources, and it is pleasing to record that manufacturers and others are making use of the privileges available.

The newsletter relating to social and economic conditions in the Dominion is still compiled, and, after consultation with the Ministry of External Affairs, it has been agreed that copies be sent to the offices of the Minister for New Zealand in Washington and to the various High Commissioners. Comment received speaks very highly of the helpfulness of this service.

BREAD-BAKING INDUSTRY

The Wheat and Flour Controller reports as under :—

“ In connection with the voluntary scheme for rationalization as recommended for adoption by the bread-bakers at the inception of control in June, 1940, I have to report that the year under review is noteworthy on account of the cessation of the steady decline in the number of operating units.

“ Since the gazetting of bread-baking as a controlled industry nearly four years ago, the number of bread-bakers has been reduced by 170, and the following is an interesting classification of the personnel thus affected :—

- “ 42 pastrycooks and storekeepers (still in business) abandoned the manufacture of bread.
- “ 45 breadmaking proprietors transferred their interests, for sundry reasons. Of this number, 6 acquired bakeries in other localities, 11 secured positions with the respective transferees, and 5 were operating in premises that did not measure up to the requirements of the Health Department.
- “ 29 effected sales for reasons of ill health and infirmity.
- “ 16 concern temporary closures during the absence of proprietors with the Armed Forces.
- “ 22 relate to estates that have been wound up (*re* deceased bakers, &c.), and include a few bakers who leased premises for brief terms and were unable to carry on.
- “ 12 bread-bakers (exclusive of above classifications) abandoned bread-baking as the result of action by the Health Department.
- “ 4 bread-baking premises were destroyed by fire and not reinstated.

“ 170

“ The number of proprietors now on the register is 563, and 8 of these operate branch businesses. (Since the inception of control, 2 branch bakeries have been closed.)

“ Bread only is manufactured by 118 bakers, the dual business of bread-baking and small-goods manufacture being undertaken by 445 proprietors.

“ On the basis of population, one bread-baking unit now serves 2,895 persons, as compared with one unit serving 2,230 people at the inception of control.

“ Since June, 1940, 75 straight-out transfers have been effected—*i.e.*, transfers which have not involved the closing of premises.

“ *Military Service and Man-power Survey.*—Following the declaration of bread-baking as an essential industry, data was prepared for the information of the Director of National Service, District Man-power Officers, and Appeals Boards. To this end a questionnaire was circulated to every bread-baker on the register, and only one employing labour failed to respond. The comprehensive details which were thus made available facilitated the compilation of the required information in a uniform fashion, which, I am assured, has been of material help to the officials concerned.

“ During 1942–43, 150 bakers approached me to support their respective appeal cases; some in their own right, but the majority concerned the retention of bakehouse employees. Examination of these cases, in relation to the data supplied by the questionnaire, disclosed a grave shortage of skilled tradesmen. Of the proprietors, it was ascertained that 100 are non-tradesmen. Another 25 master bakers stated that, by reason of old age and infirmity, they were unable to stand up to arduous bakehouse jobs.

The questionnaire also indicated that the weekly average output of bread in the Dominion is 2,775,000 two-lb. loaves. During the year ended 30th June, 1943, these bakers purchased 101,505 tons of flour (a monthly average of 8,459 tons). For the eight months ended 31st March, 1944, their flour purchases amounted to 66,950 tons, a monthly average of 8,369 tons.

“ *Zoning.*—During the year this economy measure was in operation throughout the Dominion. Both the trade and the consumer have settled down exceedingly well under the new methods of bread-distribution. The Dominion Zoning Officer is duly consulted whenever there is a proposed change of proprietorship which may affect any particular zoning scheme.

“ *Bread Standards.*—For the purpose of this report I cannot do better than quote the following extract from the annual report of the Auckland Master Bakers' Association as published in the March issue of *The New Zealand Baker and Confectioner* :—

“ ‘ The Standard Regulations restricting the number of varieties and shapes of bread have now been in force for over twelve months, and have been of undoubted benefit to the trade, operating as it is with insufficient and in many cases inexperienced labour.’ ”

“ *Quota System.*—Flour quotas now operate only in Otago, and the system continues in force at the express desire of the North Otago and Otago master bakers' associations.”

WHEAT AND FLOUR

The Wheat and Flour Controller reports that a new record for turnover both in wheat and flour was established during the past year. Some of the increase in wheat is accounted for by heavier tonnages, the quantity of wheat handled being greater by 214,496 bushels in the total of New Zealand and imported. The increase in price to New Zealand growers was also a contributory factor.

The turnover by weight is given as follows:—

| | Bushels. |
|---------------------------------------|------------|
| *Wheat (including Australian) | 10,224,610 |
| | Tons. |
| White flour | 159,367 |
| Wholemeal | 11,950 |
| Biscuit meal | 12,065 |
| | Tons. |
| Bran | 182,482 |
| Pollard | 25,115 |
| Australian stock-meal | 33,206 |
| | Tons. |
| | 6,471 |

* This does not include the New Zealand wheat which is sold as fowl wheat or which goes into consumption on farms where it is produced. This figure covers only the quantity bought and sold by the Wheat Committee.

The cash turnover was—

| | |
|-----------------------|------------|
| Wheat Section | 3,286,459 |
| Flour Section | 3,067,521 |
| | <hr/> |
| | £6,353,980 |

The loss through bad debts was £98 2s. 10d. This amazingly low bad-debt loss reflects a very healthy state of the baking industry, and is only 0.003 per cent., equivalent to less than $\frac{3}{4}$ d. in the pound of the Flour Section turnover.

Administration costs were again reduced, this time by £1,239. The Wheat Section costs increased by £168 (accounted for by travelling-expenses incurred in the Wheat Campaign and charged to administration costs), but Flour Section administration costs were reduced by £1,407.

Despite the increased administration costs of the Wheat Section, the actual per-bushel cost was an infinitesimal fraction less than for the previous year. The Flour Section administration costs, which cover all the charges arising from collecting orders from bakers, grocers, cake-kitchens, poultry-farmers, and others, ordering out from mills, invoicing, collecting accounts, paying proceeds to mills, *del credere* risk, &c., amounted to 1.077 per cent., reduced from 1.185 per cent., which was the percentage of cost the previous year.

The Wheat Committee has therefore during the past year not only reduced the cost per unit of goods handled, but also its total administration costs.

The trade in flour represented 128.41 per cent. of the basic allocation made to mills when the scheme was inaugurated in 1936. This is 5.33 per cent. greater than the 123.08 per cent. of allocation sold in the previous year.

Quality.—The quality of flour was excellent and very few complaints were received. Most of these arose because of damage in transit or in store after leaving the mill.

E.P.S. Stocks.—In April, 1943, authority was given to dispose of all E.P.S. stocks. These stocks had been a continual source of worry, because a perpetual floating stock of 5,000 tons to 6,000 tons had to be carried in the North Island, much of this flour being stored in unsuitable buildings and under unsatisfactory climatic conditions. In all 33,200 tons of flour were dealt with in this way with a remarkably small loss, due in a large measure to the co-operation of the baking trade, the members of which, for the most part, realized that these stocks were held as a security measure and for their own protection.

Wheat Importations.—The quantity of Australian wheat imported was 2,166,752 bushels (58,038 tons). Shipping difficulties had to be overcome, but we succeeded in maintaining the supply of wheat both for milling and poultry-feed. All these imports went to the North Island. Of the above, the poultry industry absorbed 1,017,557 bushels (27,256 tons), and this had to be distributed at regular intervals amongst 140 merchants at various ports and inland towns throughout the North Island. The South Island was supplied wholly from the New Zealand crop.

New Zealand Wheat.—The weight of crop produced was 9,819,342 bushels from 286,998 acres at an average per-acre yield of 34.21 bushels. This was the heaviest crop since 1933, when 11,054,972 bushels were produced from 302,531 acres at an average of 36.54 bushels per acre.

It is interesting to note here that for the five war harvests, 1940–44, inclusive, the total yield was 42,506,000 bushels, as against 33,568,000 bushels for the previous five years, an increase of 8,938,000 bushels, or 239,411 tons of 2,240 lb.

Had this additional quantity not been grown in New Zealand, it is doubtful if sufficient shipping-space could have been found to import it, and such wartime commitments as the provision of flour for Service biscuits and American troops could not have been undertaken.

Wheatgrowers' Compensation Scheme.—An innovation in the form of an insurance scheme to compensate growers for losses by hail, frost, and flood was inaugurated with the harvest of 1943. Because of the necessity of building up a capital fund, it was decided to pay compensation only up to 50 per cent. of the value of a normal crop—that is, the grower had to take the first 50 per cent. of the risk. The growers paid a premium of $\frac{1}{2}$ d. per bushel for the cover.

Wheat Campaign.—A vigorous campaign for the sowing of wheat in 1943 was conducted by the Wheat Committee. The area sown (249,000 acres) fell far short of the target, but this was largely due to the fact that practically no spring sowing was possible because of weather conditions.

Wheat-price.—The wheat-price was lifted from 5s. 9d. f.o.b. (where it had rested since 1938) to 6s. 2d. for the 1943 harvest.

Flour-mills.—There is probably no other industry in the Dominion which can compare with the record of the flour-milling industry, in that during the war this industry has not only absorbed all increased costs (except cost of sacks and small bags, which are equalized out of War Expenses Account), but for the year 1943 it repaid to the Wheat Committee the sum of 10s. per ton on all wheatmeal manufactured—£5,525 on 11,050 tons of meal.

There are forty-three mills operating. The millers have assisted the Wheat Committee by carrying reserve stocks of wheat at no cost to the Committee, although at considerable cost to themselves, and this is appreciated as a national war effort on their part.

MOTION-PICTURE INDUSTRY

Activities in connection with the motion-picture industry have been somewhat less than usual over the past year. Due to building difficulties and problems associated with furnishings, no new theatres have been opened in the country.

One or two problems have arisen in connection with the falling-in of leases of theatres, and discussions have taken place between the Department and the landlords concerned. Fortunately, we were able to negotiate satisfactory settlement in all cases.

Applications for new theatres have been very few, and the usual procedure has been followed of referring the report to the Magistrate for his recommendation to the Hon. Minister. In all cases during the year the applications have been declined on account of the fact that there were sufficient facilities available in the particular locality.

The Film Industry Board's activities have been restricted by virtue of the delay that ensued with the election of independent representatives to the Board, but the election has just concluded, and it is anticipated the Board will be meeting at an early date.

One difficult investigation dealt with during the year was that concerning the supply of adequate film of a reasonable exhibition value to one of the theatres in the Auckland province. The licensee petitioned Parliament in respect of the matter, and the Department gave evidence at the hearing before the Industries and Commerce Committee of the House. As a result of the finding, the Department is now engaged on the question of the preparation of a suitable order of reference to examine the distribution of film, and this will be a matter to be undertaken during the coming year.

Approximate Cost of Paper.—Preparation, not given; printing (1,304 copies), £22 10s.

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