

There is a widespread conviction that the varying quality of the gas now available in the cities warrants the introduction of a system of payment according to thermal units—*i.e.*, an arrangement under which the gas is paid for according to its value for heating purposes—and such a reform was also viewed favourably in Great Britain. This Department has, however, confined its attention mainly to the question of cost of production, because there are certain charges and expenses which must be met before the gas can be sold, and these charges, with a reasonable return to investors, must be provided for in the prices, whether the users pay according to thermal units or by quantity of gas irrespective of calorific value.

Although the Board in its 1918 report advocated payment according to thermal units, closer investigation of the accounts and the actual manufacturing-conditions have disclosed that while coals of varying yield from the carbonization process are the only supplies available it is hardly possible to apply the principle equitably. Thus, payment according to calorific value must wait until sufficient supplies of coal are available to permit of a certain degree of standardization of the raw materials for gasmaking.

It is hoped that a report on the financial side of the gas companies' operations will be available for publication during the current year. The Department is already satisfied that none of the gas companies has been making excessive profits, and recognizes that all of them have had to contend with great difficulties in obtaining adequate, regular, and satisfactory supplies of coal.

NEW ZEALAND INDUSTRIES.

ALREADY attention has been drawn in this report to the fact that one of the principal functions of the Department of Industries and Commerce is to foster the Dominion's industries; and it is necessary not only to recognize this duty by a general supervision of, and interest in, local manufacturing operations, but also to devise a progressive policy of assistance. The first question that arises is "What can the Department do to aid local industry?" The public are familiar with the expedients of assisting by tariff protection and also by a direct bonus on production, but there are other ways in which the industrial development of the Dominion can be facilitated in order that we may fully utilize our natural resources. A circular has already been addressed to the principal manufacturers inquiring for information as to their operations, and also pointing out the Department's readiness to assist. Although a definite programme has not been finally adopted, the Department expects to be able to assist the local manufacturers in the following ways:—

- (1.) By propaganda to overcome the prejudice amongst consumers against the use of New Zealand goods. It should not be necessary to use quasi-English markings to create a demand, but many manufacturers state that the words "Made in New Zealand" do not help the sale of the articles, however well they may be made. In Australia a large sum has been placed at the disposal of the Commonwealth Bureau of Science and Industry for propaganda work in connection with the Australian industries.
- (2.) By investigation into the many economic, accountancy, and organization problems in industry, and by special arrangements to give publicity to information of value to manufacturers.
- (3.) By securing reliable market information, both local and foreign, in regard to the purchase of raw materials as well as the sale of manufactured goods.
- (4.) By encouragement of new processes and industries by way of bounty.
- (5.) By keeping the channels of competition free and open to all, and preventing unfair business practices.
- (6.) By generally shedding a desirable light of publicity on the operations of local manufacturers and traders.

In order that buyers may have a reliable source of information regarding the many articles manufactured in New Zealand the Department has undertaken the preparation of a complete manufacturers' directory, which it is hoped to issue during the current year. This directory should go a long way towards fostering a demand for New Zealand manufactures. It is surprising how many purchasers of imported goods are not aware of the fact that similar articles are manufactured in New Zealand.

SCOPE FOR DEVELOPMENT OF INDUSTRIES IN THIS COUNTRY.

The great sphere for the development of industries in New Zealand was well shown in the report of the Parliamentary Committee on Industries, 1919. This Committee's report shows that comparatively little has so far been accomplished in utilizing the great resources of this country. Useful industries could be established to provide for the utilization of larger quantities of wool, hides, and other materials within the country, and at the same time the expenses for freight and the risks of deterioration would be greatly lessened.

PROGRESS ALREADY ACHIEVED IN NEW ZEALAND INDUSTRIES.

Considerable development has already taken place in industrial manufacture in this country—indeed, few people are aware of the comparatively large amount of capital invested in what are generally known as the secondary industries. Moreover, a large number of people are now dependent upon these industries. Although numerically the industries have not shown a great advance in recent years, the increase in machinery and plant—in capital investment generally—has been enormous. Owing to labour difficulties the manufacturers have been forced into the use of mechanical devices,