

1924.  
NEW ZEALAND.

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## DEPARTMENT OF INDUSTRIES AND COMMERCE

(SEVENTH ANNUAL REPORT OF THE).

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

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The following report relates to the operations of the Department of Industries and Commerce during the year ended 31st July, 1924.

During the past year an amendment of the Board of Trade Act of 1919 was passed by Parliament, and under the provisions of this amendment the Minister of Industries and Commerce is vested with the powers previously administered by the Board of Trade. The amending Act makes full provision for the appointment, from time to time, of associates, whose advice the Minister may consider it advisable to secure. Moreover, for practical purposes it is provided that the Minister may delegate to one or more persons the powers of investigation and judicial inquiry which are given to him by the original Act and its amendment.

The Board of Trade, strictly so called, has therefore ceased to exist.

### GENERAL TRADE REVIEW.

The statement is often made that the prosperity of this Dominion is dependent upon the state of the overseas markets for New Zealand's agricultural and pastoral products. Attention is consequently centred upon our overseas trade, and while the importance of local production for local use is overlooked, there can be no doubt that the overseas trade of this country is the determining factor as between buoyancy and depression in the economic life of the Dominion.

The total values of exports and imports for the past four years have been as follows:—

			Exports.	Imports.	Excess of Imports.	Excess of Exports.
			£	£	£	£
1920	..	..	46,441,946	61,595,828	15,154,082	..
1921	..	..	44,828,827	42,744,122	..	2,084,705
1922	..	..	42,726,249	34,826,074	..	7,900,175
1923	..	..	45,967,119	43,486,544	..	2,480,575

The comparatively steady level of the export figures would appear to be an indication that prices for our main exportable commodities may fluctuate considerably—as they have indeed done—without seriously disturbing the total value of our exports. The movements of prices of the several main exports have doubtless had a compensating effect. The increase in the value of exports for 1923 was due mainly to a substantial increase in the tonnage of butter and cheese exported.

Imports, on the other hand, have shown during the past four years remarkable fluctuations. It is well recognized that the very heavy importations of 1920, representing delayed orders of high-priced goods, gave rise to serious financial difficulties. Banks were forced to extend their accommodation to importing houses. Liquidation of stocks at prices which meant heavy losses, and a general slackness of demand for locally produced goods, continued throughout 1921 and during the earlier months of 1922. Conditions showed improvement in the latter year, but again in 1923 heavy importations have proved to be troublesome, more particularly in regard to their depressing effect upon several of the secondary industries.

It is seldom fully appreciated that by reducing the amount of our imports our local manufacturers can and do increase our favourable trade balance, and so assist in meeting our indebtedness abroad.

It cannot be said that the foregoing figures in themselves indicate an entirely satisfactory position; and, while the transmission of capital into New Zealand must obscure the real position, our exports must, apart from capital considerations, show a sufficient surplus over imports to pay our interest bill overseas. This interest bill in respect of the foreign indebtedness of the General Government and of local bodies amounts to over £5,000,000 per annum, and to this must be added our payments abroad for the use of other foreign capital invested in New Zealand.

During recent months trading with Great Britain and Australia has been disturbed by the extreme movements of the exchanges, which have gone strongly against us so far as remittances to Australia are concerned, and which have been distinctly favourable in respect of remittances to London. This is having the effect of encouraging imports for which payment can be made in London, while the reverse applies to importations from Australia. The "premium" on imports from Great Britain is reported in some instances to have been a factor in diverting business from local to overseas manufacturers, and consequently the position of the exchanges has, to some little extent, reduced the protection of New Zealand industries afforded by the tariff and by sea freight and other charges. Exporters to Great Britain, too, complain strongly of the loss sustained in securing the transfer to the Dominion of funds at credit in London.

So far as the exchanges with London are concerned, it would appear that the present difficulty is largely due to trade and not to direct financial factors.

For the five months, January to May, 1924, exports have reached the high figure of £30,810,347. The similar figure for 1923 was £26,026,278. This heavy increase in our exports during the main exporting season has apparently proved to be more than could be handled at normal exchange rates, and, although imports have been fairly heavy at a total of £18,761,427, the seasonal excess of exports has been greatly accentuated in 1924. The position of the exchanges between New Zealand and Australia is doubtless controlled by our relationship with London; and as Australia is, at the present time, faced with a difficulty in the London exchanges similar to our own, traders are experiencing some trouble in making payments to Australia even at the high exchange rates demanded.

It is generally expected that the exchange position will become much easier now that the main exporting season has ended; but, as the difficulty is likely to recur in greater or lesser degree in succeeding export seasons, consideration should and doubtless will be given to the several remedies which have been proposed.

It is by no means easy to secure comprehensive and conclusive statistical information as to the condition of the internal trade of the Dominion. It is evident, however, that the general state of internal trade and industry during the year has been reasonably satisfactory, and, although the country is now well through the winter season, there appears to have been little of the unemployment which was noticeable during the previous two winters. This is all the more noteworthy since the Dominion has absorbed into its population a considerable number of people from the Homeland.

One or two industries, notably the boot and shoe industry, are still depressed as the result of heavy importations, but there is a fortunate absence of that general depression of trade and industry which is the result of unsatisfactory financial conditions.

The banking figures for the quarter ended 30th June, 1924, show an improvement on the figures for the previous quarter, the excess of deposits over advances amounting to £3,743,724, as against £2,629,769 at the 31st March last. The banking figures in general disclose what might be called a solid and steady improvement from the depressed conditions ruling in 1921 and 1922, when, on one occasion, the advances exceeded deposits by as much as £8,874,390.

#### MANUFACTURING INDUSTRIES.

The Department has kept in close touch with the manufacturing industries of the Dominion during the year, and has assisted manufacturers in many ways to overcome difficulties with which they were faced.

To counteract the prevailing ignorance as to the wide variety of goods made in the Dominion, and to remove the prejudice against such goods, the Department has co-operated with the various manufacturers' associations in propaganda work. Several Exhibitions have been held in various parts of the Dominion, and these have been invariably successful in educating the public to the continued steady progress made by the secondary industries, and in advertising in a striking manner the quality of the goods produced. Particulars as to each of the Exhibitions held have been dealt with in a separate portion of this report. It is sufficient to say here that these Exhibitions have demonstrated beyond question that Dominion manufacturers can supply most of the necessities of life, and produce goods which bear the hall-mark of quality and craftsmanship.

By comparison with the previous year the result of operations for twelve months, to the 31st March, 1923, indicate, in the aggregate for all industries, a decided improvement, which is shown in the following figures:—

	1922.	1923.	Increase.
Total number of establishments .. ..	4,180	4,335	155
Total number of employes .. ..	70,497	73,662	3,165
Total wages and salaries paid .. ..	£13,670,542	£13,764,884	£94,342
Total motive power employed (horse-power) ..	219,700	227,101	7,401
Total cost of materials used .. ..	£40,044,325	£45,095,687	£5,051,362
Total value of goods manufactured .. ..	£67,146,269	£73,853,423	£6,707,154
Total value of land, buildings, machinery, and plant .. ..	£41,357,563	£44,219,125	£2,861,562

Of the total employees engaged in all industries, 2,808, or 3·8 per cent., were classified as administrative; 64,658, or 87·8 per cent., as productive; while 6,196, or 8·4 per cent., were classified as distributive. The following table shows the average yearly wages paid per productive employee for the last five years:—

					Males. £	Females. £	Both Sexes. £
1915-16	..	..	..	..	133·5	56·7	115·1
1919-20	..	..	..	..	176·5	79·9	154·3
1920-21	..	..	..	..	203·8	94·6	178·9
1921-22	..	..	..	..	208·4	93·7	187·2
1922-23	..	..	..	..	199·8	91·1	178·6

That many of our industries are not fully manned is clearly indicated by statistics relating to overtime. During the year ended 31st March, 1923, no less than 1,799,233 hours' overtime were worked in all industries furnishing returns, the efforts of male workers accounting for 1,676,902 hours, against 122,331 hours for females. If overtime were distributed evenly among all employees in industries each male employee would work 31·8 hours, and each female worker 10·1 hours overtime per year.

It will be noted that the value of materials used is greater by £5,501,362 than it was during 1922, whilst the value of goods manufactured shows an increase of £6,707,154 for the same period. The total value of products for the period, £73,853,423, includes meat freezing and preserving, £12,677,331, and butter, cheese, and condensed-milk manufactures, £19,181,624, a total of £31,858,955; leaving a total of £41,994,468 for the remaining secondary industries, which is £382,000 in excess of the value of the output for the previous year.

During the twelve months under review very few new industries commenced operations, although some promising industries on a smaller scale have been established. A new woollen-mill on a large scale is nearing completion at Wanganui, and mills on a smaller scale will probably be erected at Masterton and at Gore. There have been large additions made to existing factories, and several new factories and workrooms have been erected. In Wellington two large establishments for the manufacture of matches and boots have been completed. These buildings embody all the latest improvements in lighting and sanitation.

The following brief notes in regard to the state of trade of several of the leading industries of the Dominion for the year 1923-24 are placed on record:—

#### *Engineering.*

					1906.	1923.
Value of output	..	..	..	..	£437,036	£1,459,923

The trade continues to be somewhat depressed, although jobbing-work is active. The competition of both English and American manufacturers is severely felt.

#### *Agricultural, Dairy Machinery, and Implement-making.*

					1906.	1923.
Value of output	..	..	..	..	£199,741	£483,966

Trade was poor to the end of the year 1923, but lately an improvement has been experienced.

#### *Furniture and Cabinetmaking.*

					1906.	1923.
Value of output	..	..	..	..	£328,185	£1,003,770

Trading conditions continue to be active, and, although competition is particularly keen, the industry is busy and progressive. The manufacture of gramophones is growing rapidly, and their quality, price, and appearance compare most favourably with importations.

#### *Factory Clothing and Waterproof making.*

					1906.	1923.
Value of output	..	..	..	..	£423,144	£2,409,377

This industry has suffered a year of depression, but it is pleasing to record that prospects for the coming spring are brighter.

#### *Biscuits and Confectionery.*

					1906.	1923.
Value of output	..	..	..	..	£364,111	£1,230,363

Although overseas competition has been severely felt, the local manufacturers report that trade has been fair. The quality of both biscuits and confectionery manufactured locally is in every respect equal to similar imported lines, and, as special attention is now being paid by manufacturers to the artistic packing of their confections, it is confidently expected that the sales of the local product will improve greatly.

#### *Soap and Candle Making.*

					1906.	1923.
Value of output	..	..	..	..	£178,556	£552,228

Fair business has been done during the year, although the candle trade shows no great progress. This is to be expected owing to the extension of electricity. Soap-manufacturers, however, consider their prospects are good, and by means of exhibitions and extensive advertising are greatly extending their sales. There is no reason why the domestic market should not be almost wholly supplied by New Zealand manufacturers. Soap to the value of £89,567 was imported last year; and it is beyond question that the local factories can make soap equal to the best imported at competitive prices.

*Rope and Twine Making.*

	1906.	1923.
Value of output .. .. .	£100,753	£221,769

This industry shows every promise of being a most useful one to the Dominion, although its success is largely dependent upon the wheat and oat crops. Last year, unfortunately, owing to drought conditions, the yields in grain were abnormally low, and this greatly affected sales of twine. The quality of the ropes and twines manufactured has been most favourably commented upon by critics in England, who have recently inspected them at Wembley.

*Jams and Canned Fruits.*

	1906.	1923.
Value of output .. .. .	£98,032	£237,195

Competition has been very keen in this trade. The canned-fruit section has been adversely affected by abnormal importations from the Pacific coast and from Australia. The selling-prices of canned goods from overseas cannot be met by the local manufacturer, and strong pleas have been put forward for either increased protection or for a bonus on output. The jam trade, on the other hand, is progressing steadily, and manufacturers are to be congratulated upon the attention paid to quality, which is earning the wide support of the public.

*Printing, Publishing, and Bookbinding.*

	1906.	1923.
Value of output .. .. .	£1,067,827	£3,531,936

Conditions have been good, and this industry is apparently very progressive. A shortage of skilled male and female labour is reported.

*Motor and Cycle Engineering.*

	1906.	1923.
Value of output .. .. .	£75,991	£1,114,652

This trade has been good, and the industry is flourishing. Large importations of motor-vehicles during the past year have been responsible for activity. The motor-body-building trade, on the other hand, is quiet, and the proportion of motor-vehicles provided with locally-made bodies continues to be small.

*Glass Industry.*

This comparatively new industry has had a fairly busy year, and the output and sales have almost doubled, in spite of keen competition. The company's principal product is amber ale-bottles, but white and green glass bottles and jars have been turned out in substantial quantities. The company represents that it is seriously handicapped owing to the necessity of having to use one tank for the several colours. This tank has to be drawn off each time a change in colour is desired. Capital expenditure on new plant to a considerable extent is contemplated, but the management do not feel disposed to undertake extensions unless a further assurance for increased protection can be given.

*Cement and Lime Crushing and Burning.*

	1906.	1923.
Value of output .. .. .	£107,675	£611,161

The combined output capacity of the works of the three cement companies now established in New Zealand is 220,000 tons per annum. The demand has never reached this total, and it is expected it will take several years before New Zealand alone will absorb this huge output. For the year ended 31st March last the demand for cement was certainly better than for some years previously, but even then it was 80,000 tons less than the capacity to supply. Consequent on certain reductions in cost of materials, together with a lowering of freights, and the improvements both in machinery and efficiency at the works, the companies have been able to considerably reduce the price of cement, and the tendency is still downwards.

*Boot and Shoe Industry.*

	1906.	1923.
Value of output .. .. .	£501,065	£1,441,701

This industry stands high in the list of New Zealand manufacturing industries, and the value of output has reached a total of £1,500,000. Wages were paid to 2,693 persons, and totalled £456,000 for the year. The industry has been most adversely affected during the last two years by the large volume of importations from overseas. In 1922 the value of imports was £729,622, and in 1923 £964,202. During the current year the industry has experienced, in the opinion of manufacturers, one of the worst periods in its history. A large number of workers have been rendered idle owing to slackness of trade, and at best only intermittent employment has been offered. In criticizing the imported footwear, local manufacturers have demonstrated that a large amount of shoddy has been brought into the Dominion, and have urged upon the Government the desirability of imposing an embargo. Representations have been made to the Hon. the Minister of Labour as to the failure by merchants and retailers to observe the Footwear Regulations, in that the soles are not clearly stamped to show that they contain material other than leather. Several cases have been taken before the Courts in order to ensure strict compliance with the regulations, and the fines imposed should have a salutary effect.

*Iron and Steel.*

This industry, although not yet fully established in the Dominion, is possessed of great possibilities. The Onakaka Iron and Steel Company, Nelson District, has expended on land, plant, and buildings approximately £100,000 to date. It has leased 870 acres from the Government for fifty-five years from 1920, and this area is estimated to contain 30,000,000 metric tons of iron-ore of good quality. Large deposits of limestone, to be used as a fluxing-material, outcrop and adjoin the ore deposits, and ample water is available to provide hydro-electric power. Within a distance of eight miles from the ore deposits there is an area of 320 acres of land which has been secured by the company, and is reported to contain 1,280,000 tons of coal. In addition the company has purchased 80 acres of flat freehold land (alongside deep water) upon which the works are being erected, including a set of sixteen coking-ovens, workmen's cottages, laboratory, &c. A deep-water wharf has also been completed, and direct shipment to all ports of New Zealand can be arranged. The output of the company when work is commenced will approximate 10,000 tons per year, which is equal to the present requirements of the Dominion. The difficulties now facing the company in regard to competition from overseas, particularly from India, are being discussed with the Department. The directors are enthusiastic as to the prospects of the industry, and there can be little doubt that its establishment will be welcomed by Dominion manufacturers generally, who have already expressed to the Department satisfaction with the quality of the iron supplied.

## SCIENTIFIC INDUSTRIAL RESEARCH.

During the past year manufacturers throughout the Dominion have been working on the preparation of a scheme for the establishment of a Bureau in New Zealand that will be helpful in the progress and development of our secondary industries by providing adequate scientific research organization.

At a recent conference of the Industrial Corporation, held at Auckland, a report was considered in which were embodied suggestions for the establishment of the desired institution for scientific industrial research. The proposals have been submitted to the Department for consideration by the Government.

According to the report received, it is estimated that a subsidy of £10,000 would be required to be provided by the Government for the establishment of the organization, and for the cost of working for the first year. The suggested institute would require the appointment of certain experts—viz., a director, two research chemists, two assistant chemists, and office staff. A library is also considered as an essential, together with apparatus and working-appliances. In view of suggested payments by parties benefited for successful work carried out by the Bureau, it is thought that the second year's subsidy would be reduced to £7,500, and that after three or four years this would again be reduced to £5,000, which latter sum is considered to be the general charge that the country would be called upon to pay to conduct that institution successfully.

The scope of the work of the suggested Bureau, of which it is proposed that the Minister of Industries and Commerce shall be head, might be embraced under the following main headings:—

- (a.) Instituting scientific researches at the request of any manufacturers' association, firm, or person.
- (b.) Supplying information upon the most scientific and economic processes of manufacture in any industry.
- (c.) Exploiting and instituting researches in connection with the latent resources of the Dominion, and testing material and apparatus necessary for the conduct of any industries which might result.
- (d.) Conducting investigations for Government Departments.
- (e.) To work in direct collaboration and in sympathy with all other like scientific institutions throughout the world for the purpose of procuring data and information that might be of industrial benefit to the Dominion.

The Department is of opinion that there is a very wide field of useful work to be performed in this connection. The co-ordination of research work which may at present be done by separate bodies and private investigators, and the dissemination of helpful information, are two very important phases of a work which is of national importance.

## EXHIBITIONS—SECONDARY INDUSTRIES.

During the year several Exhibitions devoted to the display of manufactures of the Dominion have been held. A British and Intercolonial Exhibition took place during December, 1923, and January, 1924, at Hokitika, to commemorate the completion of Arthur's Pass Tunnel, and to celebrate the Diamond Jubilee of the Province of Westland. Considerable support was given to this Exhibition both by Government Departments and manufacturers of the Dominion, particularly Canterbury manufacturers, and it is pleasing to record that the enterprise was successful in every way.

In co-operation with the Auckland Agricultural and Pastoral Association Dominion manufacturers made a comprehensive display of New-Zealand-made goods at Auckland. The Exhibition opened on the 10th and closed on the 28th June, and was the largest of its kind yet attempted in the Dominion. Exhibits were made by manufacturers from all parts of the Dominion, and distinct progress was noticeable in the careful and artistic way in which the goods were packed and shown as compared with previous Exhibitions. The Auckland Harbour Board granted the use of two of their new sheds on the Princes Wharf for the purpose of the Exhibition, and the location and suitability of the sheds greatly added to the effectiveness of the Exhibition. Over 100,000 square feet of floor-space was

available for exhibits, and liberal provision was made for the necessary avenues, lounge, and refreshment-rooms. The co-operation of the Agricultural and Pastoral Association ensured splendid displays of exhibits of primary products, whilst the courts set up by various districts were outstanding features of the Exhibition. The joint control by these two important bodies, agricultural and industrial, has led to a better understanding as to the dependence of each section upon the other. The industrial section made an earnest appeal to the public to purchase goods made in New Zealand, and the range and quality of the exhibits elicited most favourable comment, and emphasized the great progress that has been made in industry generally. Represented at the Exhibition were several State Departments—namely, Agriculture, External Affairs, Railways, and Industries and Commerce.

The Hawera Winter Show authorities invited the manufacturers of the Dominion to support the show which was held at Hawera from the 1st to the 5th July last. Owing to an unfortunate overlapping of dates as between the Auckland, Wellington, and Hawera Exhibitions, it was found to be impracticable to get the wide support expected; and, whilst many manufacturers participated, the show could not be considered as truly representative of the Dominion's industries. The Department has promised its co-operation next year, and will make every effort to secure wider representation from manufacturers generally.

In Wellington an Exhibition was held from the 5th to the 19th July last. Although small in comparison with the Exhibition held in Auckland, it proved to be a great attraction to the general public, who expressed astonishment and pleasure at the progress the displays disclosed. Exhibitors showed a great deal of enterprise in the laying-out of their stalls, and were rewarded for their work by the appreciation of visitors. Whilst the industrial side of the Exhibition was supported mainly by manufacturers in the Wellington District, a few enterprising firms from other centres also made displays. Like the Auckland Harbour Board, the Wellington Harbour authorities freely placed certain wharves at the disposal of the executive committee, and this public-spirited action contributed very largely towards the Exhibition's success.

Every exhibitor approached by the Department spoke favourably of the benefits received from these Exhibitions, and declared that increased business invariably followed. It is to be Wellington's privilege next year to hold a Dominion Exhibition of New-Zealand-made goods, and if the necessary buildings can be provided in a suitable locality there can be no doubt as to its success.

Steady progress is being made by the New Zealand and South Seas Exhibition Company (Limited) in its ambitious scheme of opening at Dunedin an Exhibition of the world's arts, products, and manufactures during the summer of 1925-26. Contracts for the erection of the main buildings have been let at a cost of over £57,000, and construction has actually commenced. Enthusiastic committees covering all phases of the Exhibition's scope have been at work for some time. An experienced manager has been appointed, and a wide canvass has been and is being made throughout the world for active support. New Zealand has not yet fully realized the magnitude of this Exhibition. Its promoters expect that it will be the largest of its kind yet held in the Dominion, and will be half as big again as the International Exhibition held at Christchurch in 1906. The promoters emphasize the fact that the Exhibition is a Dominion affair, and that it is recognized by the Government as a national undertaking, having received a subsidy from Government funds amounting to £25,000. The Department is co-operating with the management in every possible way.

The Department regards the duty of assisting industrialists of this Dominion in these Exhibitions as a most important one. These displays of New-Zealand-manufactured goods form a wise method of making a direct appeal to the public to support the products of our own industries.

The financial success achieved has augmented the funds of the industrial associations concerned, and the experience gained from year to year must inevitably result in the provision of increasingly attractive displays of New-Zealand-made goods. The forward policy adopted of showing primary and secondary displays annually under the one roof in each of the four centres has come to stay, and each centre aims to provide permanent buildings suitable for exhibition purposes.

#### BRITISH EMPIRE EXHIBITION.

The work in connection with the collection, preparation, and despatch of exhibits for the New Zealand pavilion occupied a great deal of the attention of the Department during the year just past. With the ready co-operation of all sections of the community interested, an excellent range of exhibits was despatched to London. The honorary Advisory Council and District Committees appointed to assist the Government performed excellent work, and through their efforts a most comprehensive collection of New Zealand's primary and industrial products is being shown, together with exhibits dealing with all phases of the national life of our people. Whilst the pavilion is mainly showing the great resources of the Dominion in respect of food products, its great and varied mineral wealth, and its attractions to the settler, tourist, and sportsman have been given due prominence. For the estimated expenditure of £100,000 it has been the endeavour of the New Zealand controlling authorities to give a practical and well-arranged exhibition of our representative products, and in this endeavour all the evidence points to complete success having been achieved.

For the first few weeks after the opening date, 23rd April, it has to be acknowledged that the New Zealand Court was not completed. A variety of unavoidable causes were responsible for this. Apparently the Exhibition was opened before the buildings were completed, and before all the exhibits were delivered. Many of the essential exhibits were unfortunately held up by a strike of dock workers at the Port of London. Trouble with the power for the machinery was also experienced. Visitors who saw the pavilion in the early stages were critical of the display made. Those critics, however, who have made later visits have frankly acknowledged that a wonderful transformation has been effected, and they now state that the pavilion from every point of view is a credit to the Dominion.

In certain sections, notably the meat, wool, and butter displays, nothing better can be seen at Wembley. The secondary-industries display occupies but a small portion of the pavilion, approximately one-sixth. It was difficult in the first place to induce New Zealand manufacturers to participate, in view of the fact that their trade is practically confined to the domestic market. On the Department representing, however, that the exhibits were required for the national objective of demonstrating the quality and range of manufactures of the Dominion, and also for the purpose of showing intending migrants that the industries were well established, a fairly ready response was forthcoming, and had it been possible to afford more space a much more extensive staging of the secondary exhibits could have been made. Already most favourable comment has been received in the Dominion regarding these articles. The expert and the careful visitor have expressed astonishment at the quality of the work and the progress evidenced. Special admiration has been expressed at the quality of the woollen goods, floor-rugs, furniture, upholstering, motor-bodies, gelatine, glue, rope and twine, and brasswork; whilst praise has also been given for the leather and leather goods, agricultural implements, spraying-machines, fire-extinguishers, gas-stoves, plumbers' supplies, weighing-machines, and wickerwork.

The staff of New-Zealanders appointed to control the New Zealand display is as follows: Colonel A. F. Roberts, O.B.E., Commissioner; Mr. W. E. C. Reid, Assistant Commissioner; Mr. Denys Hoare, Secretary-Accountant; Messrs. M. J. Reardon, O. R. Clark, F. R. Callaghan, and J. W. Black, Information Officers.

Attached to the New Zealand pavilion is a cinema-hall capable of seating 650 persons, in which films are shown dealing with a wide variety of New Zealand subjects. The selection of subjects, as well as their treatment, has been most favourably commented upon, and it is affirmed that New Zealand leads in this important branch of propaganda work.

Another feature, apart from the pavilion, is the Maori house, "Mata-atua." This structure is receiving a very great amount of attention from the general public, and the ancient Maori carvings shown have been specially admired. The *fale* from Samoa is also a great source of interest to visitors, and contains representative exhibits of the products, arts, and crafts of Samoa.

The restaurant is well patronized, and it is a daily occurrence during lunch and dinner time for a queue to be waiting to gain admission. It should be emphasized, despite statements to the contrary, that New Zealand foods, notably butter, cheese, mutton, lamb, beef, preserved meats, honey, and fresh fruits, are being served. The management is keeping careful watch to ensure that New Zealand products are used and that they are served in good condition.

The expenditure involved in New Zealand's participation in this great Exhibition will probably amount to a little more than £100,000. This expenditure, in relation to the sum spent by other participating countries, is comparatively small. It was never contemplated or intended, however, by the Government or its advisers that the New Zealand pavilion should attempt to compete from the spectacular standpoint with the courts provided by Canada and Australia. If comparison is made from the standpoint of what each country does and can produce for the use and benefit of the Empire, then it must be considered that New Zealand's efforts have been signally successful.

The Dominion Advisory Council, and the committees set up in Auckland, Wellington, Christchurch, and Dunedin, ceased to function in June last, and the work in its entirety has now been taken over by the Department. Certain members of the Dominion Council, however, will continue to act on request in an advisory capacity. The work performed by the Council has been exceptionally arduous, and it is fitting that a special tribute should be paid to its members for the valuable national work they have performed.

#### OVERSEAS MARKETS.

In order to widen the markets for New Zealand products the Department has sought for and obtained information over a wide field, and has disseminated this information to Dominion interests concerned. In this regard the Department has acted upon requests made from traders and upon its own initiative. The study of overseas markets requires close concentration before tangible results can be obtained. It should be recognized that months and even years of effort will be required to overcome difficulties and place our goods on a competitive basis in foreign markets. The question of opening up trade with Java is a case in point. At the request of Chambers of Commerce, manufacturers' associations, and the New Zealand Farmers' Union, the Department made inquiries into the possibility of securing a market for New Zealand products. It was shown that the Commonwealth of Australia had a valuable market in Java in like commodities which are exported from New Zealand, notably butter, condensed and powdered milk, canned meats, hams, bacon, and other food-supplies. The Dominion manufacturers of cement, woollen goods, and soap also expressed a wish to exploit this market.

The Commonwealth traders had a distinct advantage over New Zealand traders in that regular lines of shipping were sailing from the chief ports of the Commonwealth to Javan ports, and it was considered essential, before this Dominion would be in a position to compete, that a direct line of steamers should be provided. After months of negotiation the Hon. the Minister of Industries and Commerce effected an arrangement with the Union Steamship Company to provide a direct service from main New Zealand ports to Java and Singapore. The service is to be a four-monthly one, and cargoes are to be carried at the same rates of freight in the meantime as obtain from principal Australian ports. The vessel provided can accommodate refrigerated cargo.

The arrangement effected represents a substantial concession in freight, and should enable the trade to be thoroughly tested during this current year.

If a market for New Zealand goods can be established in Java the Union Steamship Company will arrange to supplement the proposed service by providing for shipments of goods via Sydney to alternate with the sailings of the direct vessel. A distinct advantage of the service is that it has not involved any interference with the existing preferential duties which was a condition precedent to the instituting of a direct line to New Zealand by the Royal Dutch Navigation Company.

Immediately the announcement was made that the Union Company would provide a direct service, the Department was asked for information as to the appointment of suitable agents to represent New Zealand interests in Java, and this information was as far as possible supplied. Every endeavour is now being made to secure business, but the Department is mindful of the difficulties ahead, and is of the opinion that it will take months of effort to secure a footing, and is further of the opinion that the best and most effective means of securing trade is for New Zealand houses to send expert commercial representatives to the East, with samples if possible, so that conditions may be studied on the spot. Several large New Zealand firms have already taken this step, and, although the reports received are not encouraging so far as Java is concerned, some measure of success has been met with in countries further afield, notably, Philippine Islands and China.

The fear is everywhere expressed that everything will be done to discourage the special service inaugurated, and competitors will offer specially low freight rates. New Zealand traders, however, are doing all they can to foster the trade, and are making prices to Javan merchants as attractive as possible.

Joint meetings of Chambers of Commerce and manufacturers' associations have been held, and the resolutions passed strongly favour the sending of a mission to the Netherland East Indies, consisting of at least three business men, the expenses to be borne proportionately by the industries represented and the Government. Negotiations to this end are now pending.

The subject of trade with the Pacific islands, Samoa, Fiji, Cook Islands, Tahiti, and Hawaii, continues to have the close attention of the Department. In Samoa New Zealand holds second place in the value of exports, and an analysis of the statistics shows that there is further scope for New Zealand to secure some of the trade that is now going to Australia. This contention is supported by the fact that in 1923 the Administration of Samoa purchased 60 per cent. of its total requirements in New Zealand. If this average had applied right through to buyers in Samoa, New Zealand would have supplied about £160,000 worth of goods instead of £78,000 worth. These facts have been brought under the notice of traders by the Department, and the point has been stressed that increased attention must be given by exporters to this market in the direction of arranging for regular visits by their representatives.

The latest available trade statistics from Fiji show that in value of imports New Zealand holds third place. Australia continues to be in the first position with a value of trade approximating £420,000 annually (New Zealand £102,000). It is felt that New Zealand's position can be greatly improved if closer attention is given to this market, especially in such commodities as live-stock, bacon and hams, butter, cheese, tinned and preserved meats, tallow, tinned milk-powders, and sugar. Australia handles a greater proportion of the trade in such lines as beer, boots and shoes, bran, pollard, confectionery, rope and cordage, leather, machinery, manures, oils, soap, and woodenware. All these lines, it is considered, can be largely supplied from New Zealand at competitive prices. In flour, coal, iron and steel we cannot hope at present to compete with the Commonwealth, but if manufacturers and traders will fully realize the value of this market, with which we have a regular shipping connection, it is confidently expected that our position can be greatly improved.

The trade outlook with the Cook Group is most promising. The bulk of the import and export trade is done with this Dominion, and with the provision of better shipping services linking up Wellington as well as Auckland, the marketing of tropical fruits is bound to be extended. The equipment of wireless at two of the principal outlying islands will be a boon to island traders, enabling them to have timely notice of the arrival of vessels, and to have cargoes ready for immediate shipment. A more regular supply of island fruits, especially bananas and citrus fruits, will be greatly appreciated by fruit importers and consumers in Wellington and in the South Island. Close co-operation between the Cook Islands Department and this Department has been continued during the year, and due acknowledgment is made to the former Department for its readiness to assist merchants and manufacturers of this Dominion, and in bringing under notice several disabilities suffered by island interests which it has been possible to obviate.

Engendered and encouraged by the excellent shipping facilities provided, the trade with Hawaii continues steady. Our imports, of a value of £5,013, are practically negligible, but our exports in 1923, of a value of £112,352, are worth fostering. For the first four months of the current year satisfactory trade was done, especially in butter, cheese, and frozen meats; all exports aggregated in value £55,355. It was considered that the interests of New Zealand would be greatly benefited by the appointment of a New Zealand Agent. Recently the Hon. Minister of Industries and Commerce approved of the appointment of Mr. H. E. Tennent, who offered to act in an honorary capacity. Mr. Tennent has had considerable experience of island trading, and his knowledge of New Zealand's commerce and industry will no doubt enable him to render valuable work.

Many inquiries have been made from the Department as to the possibility of trade in particular commodities with other countries, notably France, Belgium, South Africa, India, and China; and in order to facilitate our inquiries, and to ensure reliable information being obtained, the appointments of honorary Trade Representatives have been made in India, South Africa, and Belgium. Valuable reports are being received, and information has been disseminated to interested parties in New Zealand.



During the year visits were made to New Zealand by several distinguished oversea representatives, chief among whom were Mr. W. F. McMullen (Secretary, Board of Trade and Industry, Cape Town) and Mr. A. J. P. Edgcumbe (Overseas Trade Department, Imperial Board of Trade). Mr. McMullen spent nearly a month in New Zealand, and made close inquiries from traders, leading merchants, and manufacturers, as to the possibilities of reciprocal trade. Mr. McMullen was confident that South Africa offered a good market for New Zealand woollen goods, and for powdered milk. Importations into South Africa of this latter commodity aggregated a value of £1,000,000 per annum. There is a possible opening for apples. From South Africa there is a surplus production available for export to New Zealand of wines, tobacco, malt-extract, explosives, and dried fruits. Mr. McMullen has promised to keep in close touch with the Department, and it is hoped that as a result of his visit a member of his Board will visit the Dominion with a view to inquiring more closely into reciprocal trade. In years past, when a direct shipping service was available between New Zealand and South Africa, a considerable trade was done.

Mr. Edgcumbe, trade delegate from the British Board of Trade, accompanied the Naval squadron on its Empire voyage recently. His mission was to study Dominion problems mainly relating to trade. During the course of a short stay of a fortnight, Mr. Edgcumbe visited many of our leading industrial concerns, and addressed meetings in the four chief centres of members of the Chambers of Commerce and manufacturers' associations.

#### COMMERCIAL TRUSTS ACT.

The increasing tendency towards trade combination, and the consequent elimination of some of the beneficial features of the competitive system, makes it increasingly necessary that some form of independent control should be exercised over the many commercial organizations which are operating to fix prices and conditions of sale.

In several of the manufacturing industries, and in the wholesale and retail trades of many commodities, some form of organization exists which limits the field of competition. Such organizations are by no means in general harmful to public interest, but the power of control over prices and conditions of trade is too important to be left in the undisturbed possession of interested parties.

The Department is constantly in touch with facts which may on investigation disclose breaches of the Commercial Trusts Act, 1910, and, so far as the limitations of staff will allow, inquiries are made with a view to preventing any such offences against the law. In this matter, however, the scope of possible inquiry is so wide that the Department is to some extent compelled to await the receipt of complaint from persons or firms who consider that they are being detrimentally affected by the operations of trade combinations.

During recent months the Attorney-General has decided that action shall be taken under the Commercial Trusts Act against several firms in the flour-milling industry, and these cases have been set down for hearing at Dunedin during September.

#### GAS.

In the previous annual report of the Department it was shown that a decision had been arrived at to effect a measure of control over this industry by means of regulations under section 26 of the Board of Trade Act, 1919. The regulations as drafted by the Department in conjunction with Dr. J. S. MacLaurin, Dominion Analyst, have been the subject of protracted negotiations with representatives of the leading gas undertakings of the Dominion. The regulations have now been finalized so far as the Department is concerned, and have been submitted to the Government.

In brief, the regulations provide for the control of the supply and sale of gas, with special reference to the three main features, heating-value, purity, and pressure. The regulations are in line with the provisions of modern systems of control in other countries, the British Gas Act, 1920, having been taken as a basis for the proposed regulations of the Dominion. The regulations also provide for the fixation of fees to be paid for direct service such as the testing of meters. Whilst the regulations may be applied to all gas companies operating in the Dominion, it is proposed in the initial stages to apply them only to the undertakings in the four chief centres. During the year under review, the comparative immunity from troubles connected with the supply of coal for gas undertakings has resulted in fewer complaints being received by the Department either as to price or quality. The price of gas has shown a downward tendency, and the reductions made by many of the companies have been due both to increased output and efficiency of plant, and to reduction in labour and coal costs.

#### CUSTOMS INQUIRIES.

The Department has in the past year again been able to render assistance to the Customs Department by the conduct of investigations into several industries and trades which are working under tariff protection, or in respect of which protection has been asked. In several instances the subjects of these investigations have been considered by the Parliamentary Industries and Commerce Committee, and the Department has submitted evidence as to the results of its inquiries.

#### SUGAR.

The comparatively lengthy statement regarding sugar which was published in the Department's report for last year makes it unnecessary that any detailed statement be given in this report.

Government trading in sugar was terminated on the 31st August, 1923, and since that date the refining of sugar at Chelsea, Auckland, and the sale and distribution of the products of the refinery, have been carried out by the Colonial Sugar-refining Company (Limited) on its own account, with the protective tariff of £2 18s. 4d. per ton of refined sugar as agreed to during the 1923 session of Parliament.

The Department has during the past year completed the work of auditing the final accounts as between the Government and the company. The summarized Trading Account, covering the whole period of Government purchase and sale, shows that a profit of a little more than £80,000 has been made and paid into the Consolidated Fund.

The Department has throughout been instructed to endeavour to avoid any encroachment on Consolidated Fund, but at the same time to avoid making any greater profit than might be considered prudent and necessary to meet contingencies. In view of the disturbed state of markets during the control period, the fluctuation in manufacturing-costs, and the lack of tariff protection, the margin of profit (which represents less than 10s. per ton, or approximately  $\frac{1}{2}$ d. per pound) must be regarded as entirely satisfactory.

It would have been possible to have made a much larger profit than that actually taken. This was particularly evident during periods when the Government held stocks acquired at rates materially below world's market prices. The benefit of satisfactory buying has, however, as far as possible, been passed direct to consumers. When the profit is under consideration it should therefore be recognized that the price in the Dominion has been kept generally well below world parity.

During the period between the 1st July, 1920, and the 31st August, 1923, the Government purchased 183,793 tons of raw sugar, and this quantity, with the exception of 1,170 tons lost through marine mishap, was refined on Government account at the Chelsea refinery.

In addition to the above quantity, 3,000 tons of refined sugar were imported from Australia towards the end of 1921 for the purpose of supplementing locally produced supplies for jam purposes. With the exception of approximately 18,500 tons imported from Java during 1923, the whole of the raw sugar refined in New Zealand on Government account has been procured from Fiji. It is worthy of note that primage duty to the extent of £50,703 was paid on Government account in respect of importation of the raw sugar.

Records in relation to the purity of the sugar distributed from the refinery show that the average purity has been maintained at a consistently high standard.

The whole of the accounts relating to the sugar transactions of the Government have been subject to detailed examination by departmental officers, and original documents vouching each item of expenditure have been produced in connection with the audit of the accounts.

It can accordingly be said in respect of the Government's dealing in sugar that the following results were achieved:—

- (1.) The assurance and maintenance of a plentiful supply.
- (2.) The maintenance of comparatively stable and low prices.
- (3.) The production of a consistently high standard of quality.
- (4.) The avoidance of any demand on the Consolidated Fund.
- (5.) A satisfactory credit balance at the conclusion of operations.

During the past year the Department has retained contact with the position, and has been aware of the movements of the world's markets as compared with prices in the Dominion.

In recent months a marked fall in world sugar-prices has followed the substantial rise in prices which took place towards the end of 1923. The present decline in the world's market is doubtless due to the estimated increase in world production, from 18,000,000 tons to nearly 20,000,000 tons. A lower level of prices would appear to be likely, since beet-sugar production is rapidly recovering from war depression, and the total world supply appears to be ample to meet requirements on a reduced-price basis.

The Colonial Sugar-refining Company (Limited) has indicated that unless the protective tariff is continued the company will be unable to continue to refine sugar at Chelsea. This matter has been considered by the Department, and evidence has been tendered to the Parliamentary Industries and Commerce Committee on the subject. The question of continuing the duty is now before the Government.

#### TIMBER.\*

The position in relation to the control of the export of timber was outlined in the annual report of the Department for 1922-23. There has been no important departure from the policy or methods of administration indicated in that report. The Department is carrying out the work of restricting exports within the limits laid down, and a considerable volume of work is entailed in the issue and supervision of the use of export permits for the various grades and classes of timber.

The following table shows the quantity and value of timber of the several varieties exported from New Zealand during the years ended 31st March, 1923 and 1924:—

Variety.	Year ended 31st March,			
	1923.		1924.	
	Quantity.	Value.	Quantity.	Value.
	Sup. ft.	£	Sup. ft.	£
Kauri .. .. .	3,865,533	73,168	1,913,767	42,435
White-pine .. .. .	35,687,358	363,444	31,458,492	306,762
Rimu .. .. .	4,536,253	38,830	7,458,638	59,147
Beech .. .. .	726,109	10,031	1,366,517	18,095
Miscellaneous—				
New Zealand produce .. .. .	384,810	4,275	991,300	10,199
Not New Zealand produce .. .. .	79,973	1,016	464,622	5,977

\* In regard to timber, the Department of Industries and Commerce acts on the advice and on the instructions of the Commissioner of State Forests, who is responsible for the policy and regulations as to the control of the export of timber.

It will be seen from the foregoing export statistics that the trade does not reach the limits laid down by the regulations, but that there has been an increase over last year's totals in the quantities of beech and rimu exported. New Zealand beech has gained a place on the Australian market, and is securing a delayed recognition of its high merit.

In accordance with the close restriction of kauri exports the figures for 1924 show a decrease. It should be noted, however, that even the comparatively small quantity sent out is comprised mainly of inferior qualities which are not subject to stringent control. In regard to kauri timber it should be mentioned that, as a result of the reduction in export quotas of better-grade kauri, from 7,000,000 ft. in 1921-22 to 500,000 ft. per annum in 1923-24 and subsequent years, difficulties arose in regard to the quantities held and intended for export from the west coast of the North Auckland district. Representations were made to the Government as to the position, and it was ascertained that a very large number of logs lying in creeks and rivers, especially at Hokianga and Whangape, were rapidly deteriorating in condition, and the timber cut from such logs could not be profitably used on the New Zealand market in competition with timbers cut on the east coast areas. The Government decided to allow export of timber cut from such logs from this particular area, as follows: 2,500,000 sup. ft. for the current year, 2,000,000 sup. ft. in 1925-26, 1,000,000 sup. ft. in 1926-27. It was made clear, however, to the parties interested that no increase in the quota of 500,000 ft. for recently cut kauri timber would be allowed, whether or not the export quota for the deteriorating logs on the west coast is used in any year or not.

It was also agreed during the past year that the position in relation to exports of rimu should be amended by allowing export on the following basis:—

Year ended March,	Export by Mills in Export Trade prior to 1918.		Export by Mills not in Export Trade prior to 1918.	
	..	..	..	..
1924	..	..	14,000,000	2,000,000
1925	..	..	11,000,000	1,500,000
1926	..	..	9,000,000	1,000,000

#### WHEAT PRODUCTS AND BREAD.\*

During past years the Government has been closely associated with the wheat trade of the Dominion in an endeavour to ensure sufficient supplies of wheat being grown for domestic requirements. The policy of controlling prices for wheat, wheat products, and bread was continued up to the end of February, 1923, but for the following year a different policy was adopted. Under the new arrangements the Government ceased to control wheat-prices, but agreed to such prices being mutually arranged between growers and millers, provided that flour, bran, pollard, and bread prices were not increased. In order to enable such an agreement to be put into effect the Government undertook to continue the existing prohibition of importation of wheat and flour.

In 1923 the growers formed a Board comprising representatives from all the main wheat-growing areas, and successfully negotiated an agreement with the millers as to wheat-prices. By this arrangement flour continued to be sold at £15 10s. main ports South, and bran at £5 f.o.b. The price of pollard was reduced from £8 per ton to £7 per ton f.o.b. southern ports.

On the understanding that the Government would again agree to continue the prohibition of importation of wheat and flour, the Wheat Board and millers met in Christchurch in December last, when it was mutually agreed that millers would pay farmers 1d. per bushel over the previous year's prices. Prices for the current season are therefore 5s. 5d. for Tuscan, 5s. 7d. for Hunters, and 5s. 9d. for Pearl or Velvet varieties, f.o.b. South Island ports—these prices being inclusive of brokerage (1d.) and miller's payment to wheat pool (1d.). The Government gave approval to this arrangement, whereby the price of flour is continued at a maximum of £15 10s. per ton, while bran and pollard prices are fixed at maxima of £5 10s. and £6 10s. per ton f.o.b. South respectively. At the time the agreement was entered into it was fully expected that the wheat harvested in New Zealand during the then-ensuing summer months would be insufficient for domestic requirements, but it was not expected that the shortage would be as great as it subsequently proved to be. The farmers had extraordinary difficulties to face. Persistent wet weather in the first place interfered with the sowings in the autumn of 1923, and like conditions were experienced in the winter and spring, with a result that the acreage put in crop was the lowest since 1919. Moreover, the yield was most adversely affected by abnormally dry weather during the whole summer. In February of this year (1924) the Government Statistician estimated that the yield per acre would be 23·27 bushels, giving a Dominion yield from approximately 185,000 acres of 4,250,000 bushels. It was therefore apparent that the local supplies would need to be largely supplemented by wheat purchased from overseas.

In order to stabilize prices of flour and bread, the Wheat Board was informed by the Government towards the end of 1923 that in the event of an agreement being come to between millers and the Board the necessary importations would be made by the Government. This course was decided upon, for the reason that it would have been impossible to import wheat, pay duty, and maintain a price for flour no higher than £15 10s. f.o.b. southern ports. At the same time, that level of prices would have returned a substantial and unnecessary profit—particularly in the North Island—to any miller bringing in wheat duty-free.

When the agreement was reached between millers and wheat-growers it therefore became necessary that Government should make provision for meeting the Dominion's needs over and above the local production.

This Department is accordingly carrying out the work of purchasing, freighting, and selling to millers necessary supplies of imported wheat. The wheat is being sold on an approximate parity with the agreement price of New Zealand wheat of equal quality. Supplies are also being made

\* In regard to the control of the wheat trade, the Secretary of the Department of Industries and Commerce, as Wheat Controller, acts on the advice and on the instructions of the Minister of Agriculture, Hon. W. Nosworthy.

available to merchants for distribution for poultry-food. A large quantity of Australian wheat has been purchased, and up to the 31st July approximately 1,670,000 bushels had been brought in and distributed throughout the Dominion. The Department will be closely engaged in the work during the remainder of the year.

In February last a conference of wheat-growers was held in Christchurch with the object of discussing the form of control, if any, which the Government should be requested to exercise in regard to the harvest of 1924–25. The conference decided that, in order to continue the encouragement of wheat-growing and to ensure the sowing of a satisfactory area in the autumn and spring of this year, the Government should be urged to revert to the system of guaranteeing prices for wheat grown in the Dominion. It was asked that the Government should undertake to guarantee minimum prices of 6s. per bushel for Tuscan varieties, 6s. 3d. for Hunters, and 6s. 6d. for Pearl. It was understood, of course, that to make any such guarantee effective the Government would have to purchase the harvest of 1924–25 and to continue to maintain the prohibition of importation. Growers were, of course, unable to give any guarantee that they would grow all the wheat required for the Dominion's use, but it was recognized that the prices named, if conceded, would ensure the production of a substantial quantity. After consideration Cabinet decided that it could not agree to guarantee prices as desired by the growers, but an undertaking was given that Parliament would be asked to increase the duty on flour from £2 10s. to £3 per ton, with the object of affording to wheat-growing approximately the same degree of protection against imported flour as is now given in the duty of 2s. per cental against imported wheat. The prohibition of importation of wheat and flour will be terminated as from the 28th February, 1925.

The price of flour has been comparatively constant at a maximum f.o.b. South of £15 10s. per ton—the price fixed at the end of October, 1922. While there have been changes in costs of other commodities used by bakers, there has been no general movement in bread-prices during the past year. The position in several centres has been under consideration by the Department during the past year, and, where necessary, adjustments in price have been made. The baking trade shows a strong tendency towards combined action for the purpose of eliminating price-cutting; and, while competition is keen in some centres, the establishment of large bakeries and the strengthening of trade organization may tend towards the maintenance of bread-prices slightly above those which would otherwise rule.

It became evident in March last that the demand for supplies of bran and pollard had overtaken the production of the New Zealand mills, and shortages were causing difficulty, particularly in the North Island. Following the course adopted last year, the Government agreed to the importation of these commodities under permits issued on the recommendation of this Department. The Government also agreed to the suspension of the duty on bran and pollard so long as the shortage exists. Under this arrangement bran and pollard has been brought in from Australia to be sold at prices which have not seriously disturbed the level of prices for locally produced bran and pollard as fixed under the agreement between millers and wheat-growers. The position as to importations is being watched by the Department, and when it is clear that the local mills can meet the demand the issue of permits for importation will cease.

#### CONCLUSION.

Whilst this report covers the more important duties assigned to the Department, it by no means records the whole of the diversified work undertaken. The staff of the Department is small in number, and the drastic "cut" made early in 1922 has resulted in making it necessary to concentrate on the more essential duties and leave some of the statutory functions practically untouched. With the expansion of trade and industry, however, it has become increasingly evident that the expert staff to conduct economic and accountancy investigations should be increased, and representations in this regard have been made to the Government. To the limits of its capacity the Department is endeavouring to check unfair methods of trading, the operations of trusts and combines, and to carry on the constructive side of its work in fostering and promoting the commerce and industries of New Zealand.

Despite the checks of the past few years, the industries of the Dominion are steadily progressing, and the fact that the value of output of the secondary and extractive industries has reached nearly £50,000,000 is both a revelation and a source of gratification to our citizens. But with the provision of hydro-electric power to an ever-increasing extent annually, this production can be greatly augmented, and manufacturers look to the future with confidence and aver that it can be obtained at lessened cost—with the aid of "white" coal and larger outputs. If the people of the Dominion will support their own industries and, all things being equal, buy New-Zealand-made goods, then there can be no doubt that it will be the main factor in aiding a complete restoration of our national prosperity.

For the Department of Industries and Commerce,

J. W. COLLINS, Secretary.

*Approximate Cost of Paper.*—Preparation, not given; printing (1,325 copies), £17 10s.

By Authority: W. A. G. SKINNER, Government Printer, Wellington.—1924.

Price 6d.]