

There is little doubt that the changes which are taking place tend towards a reduction in the costs of distribution, and the consolidation of the work of wholesale selling would be a step towards the elimination of a section of cost which tends at present to be higher than the trade will bear. Distribution costs in New Zealand and elsewhere have outgrown their economic justification, and new methods developing from competitive pressure are arising to meet the altered requirements of the times.

HIDES AND SKINS.

During the past year the Department undertook the preparation of a report on the Dominion's production, sale, and export of hides and skins. The investigation of this matter necessitated inquiries from those engaged in the trade in cattle-hides, and calf-skins, sheep and lamb skins and pelts, and rabbit and opossum skins.

The report recovered statistical information regarding the quantity and value of the production and export of the various classes of products, the systems of grading and packing, terms and conditions of sale and export, the names of the leading firms engaged in the several trades, and a general review of prices realized during recent periods.

Copies of the report have been made available for transmission, with other matter, to the Imperial Economic Committee. The report has also been given publicity abroad, and has been made available to interested parties in the Dominion and overseas.

MANUFACTURERS' ASSOCIATIONS.

Close co-operation with the manufacturers' associations in each of the four chief centres has been maintained during the past year. The local officers of the Department act in an advisory capacity to the executives, and practical assistance has been rendered on many occasions, and particularly in relation to exhibition undertakings. References in several paragraphs in this report indicate and emphasize the important relations existing between the Department and the organized manufacturers of the Dominion.

A conference of delegates representing the manufacturers of the Dominion was held in Auckland in November last year. Many important proposals were discussed. A constitution for a New Zealand Manufacturers' Federation was agreed upon, the associations unanimously adopting rules which had been prepared, and officers were elected who would in future be empowered to deal with matters of national interest to manufacturers. Proposals were advanced in regard to the appointment of a Dominion executive and a Dominion organizer. The duties of the organizer would be to watch the interests of manufacturers generally throughout New Zealand and to organize the whole of the factory-proprietors in the Dominion. The proposals provided for a central office, and the organizer to be appointed would be expected to co-operate with similar bodies of manufacturers overseas, to exchange publications, build up a library, publish a monthly journal, and manage all exhibitions of New Zealand-made goods apart from provincial displays. This organization scheme was keenly debated by the delegates, especially as it was made clear that it involved a guarantee of about £12,000 per annum before it could be successfully launched. The proposals were endorsed and were referred to the individual associations for consideration.

MANUFACTURING INDUSTRIES.

The manufacturing industries of New Zealand continue to expand. The following table, showing certain summarized statistics of all the Dominion factories, indicates the general growth during the past year:—

	Year ended 31st March, 1926.	Year ended 31st March, 1927.	Increase.	Decrease.
Establishments (number)	4,791	5,088	297	..
Employees (number)	81,700	81,904	204	..
Salaries and wages paid	£16,876,881	£17,047,723	£170,842	..
Power employed (horse-power)	358,881	408,739	49,858	..
	£	£	£	£
Materials used	52,326,998	50,222,055	..	2,104,943
Value added by manufacture	32,465,436	33,417,516	952,080	..
Total products	84,792,434	83,639,571	..	1,152,863
Land, plant, buildings	59,069,001	62,723,125	3,654,124	..