

1932.
NEW ZEALAND.

DEPARTMENT OF INDUSTRIES AND COMMERCE

(FIFTEENTH ANNUAL REPORT OF THE).

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

YOUR EXCELLENCY,—

Wellington, 20th September, 1932.

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.,

R. MASTERS,

Minister of Industries and Commerce.

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

SIR,—

Wellington, 13th September, 1932.

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 generally the period ended 30th April, 1932.

I have, &c.,

G. W. CLINKARD, Secretary.

The Hon. R. Masters, Minister of Industries and Commerce.

GENERAL TRADE REVIEW.

It is usual in the Department's annual report to review briefly the overseas trade returns for the preceding calendar year, and this procedure is adhered to on this occasion.

The statistics of overseas trade for the year ended 31st December, 1931, are noteworthy, firstly, for the large recession in the value of total exports as compared with the previous calendar year, and, secondly, for the still larger reduction in the value of imports. Our exports for 1931 were valued at £35,153,028 (New Zealand currency), whereas for 1930 they were valued at £44,940,692, a reduction of £9,787,664. Imports for 1931 aggregated £24,812,958 (sterling currency), a reduction of £18,212,956 as compared with the figures for 1930, in which year imports were assessed at £43,025,914.

The net result for the past calendar year was thus an excess of visible exports over visible imports of £10,340,070, which compares very favourably indeed with a similar excess of £1,914,778 for 1930. The satisfactory balance of trade for the past year was, of course, brought about entirely by the severe decline in imports. This balance also, it may be mentioned, was the second highest recorded during the past twelve years, for it was only exceeded in 1928, when the visible trade balance was £11,302,215. Expressed in terms of New Zealand currency the excess of exports over imports was approximately £8,500,000, as compared with £195,000 in 1930.

To summarize the position, and to enable a comparison to be made with previous years, the following table sets out the value of our exports, imports, total external trade, and visible trade balance for each of the past twelve calendar years:—

Year ended 31st December,	Exports.	Imports.	Total External Trade.	Excess of	
				Exports.	Imports.
	£	£	£	£	£
1920	46,441,946	61,595,828	108,037,774	..	15,153,882
1921	44,828,827	42,942,443	87,771,270	1,886,384	..
1922	42,726,249	35,012,561	77,738,810	7,713,688	..
1923	45,967,165	43,378,493	89,345,658	2,588,672	..
1924	52,612,711	48,527,603	101,140,314	4,085,108	..
1925	55,262,272	52,456,407	107,718,679	2,805,865	..
1926	45,275,575	49,889,563	95,165,138	..	4,613,988
1927	48,496,354	44,782,946	93,279,300	3,713,408	..
1928	56,188,481	44,886,266	101,074,747	11,302,215	..
1929	55,579,063	48,797,977	104,377,040	6,781,086	..
1930	44,940,692	43,025,914	87,966,606	1,914,778	..
1931	35,153,028	24,812,958	59,965,986	10,340,070	..

EXPORTS.

The table below sets out the quantities and values of the principal commodities exported from New Zealand in each of the past two calendar years.

Item.	1931.		1930.	
	Quantity.	Value.	Quantity.	Value.
		£		£
Butter Cwt.	1,988,566	10,649,527	1,884,237	11,854,056
Cheese "	1,636,347	4,461,293	1,812,981	6,438,438
Beef, frozen "	352,649	403,951	346,437	586,523
Lamb, frozen "	2,404,801	6,426,020	2,145,651	7,200,863
Mutton, frozen "	1,053,203	1,432,729	1,259,951	2,365,709
Cattle-hides and calf-skins .. No.	961,590	337,296	947,766	510,683
Rabbit-skins "	6,174,092	108,841	7,206,992	142,249
Pelts "	10,419,882	621,757	9,477,561	1,190,718
Wool Bales	618,419	5,515,376	581,225	7,664,362
Tallow Tons	23,264	413,080	24,628	683,571
Kauri-gum "	3,058	128,095	3,818	189,635
Gold Oz.	140,970	581,032	133,783	550,813
Sausage-casings lb.	3,661,195	399,418	4,483,019	780,073
Other items "	..	3,674,613	..	4,782,999
Total exports .. ..	..	35,153,028	..	44,940,692

As will be observed from the above table, increases in quantities shipped were recorded during 1931 in the case of butter, frozen beef, frozen lamb, cattle-hides and calf-skins, pelts, wool, and gold. In only one instance, however, did an increase in value occur, and that was in the case of gold. Decreases in value were recorded in all items, with this one exception.

The direction of our export trade in 1931 is disclosed by the table which follows, the figures also being given for the three previous years for purposes of comparison.

Value of New Zealand's Exports according to Country of Destination, 1928-31.

	1928.	1929.	1930.	1931.
	£	£	£	£
British Possessions, Protectorates, &c.—				
United Kingdom	40,510,075	40,957,043	36,015,303	30,940,654
Australia	3,402,655	2,338,410	1,562,281	1,169,055
Canada	2,469,150	3,353,975	2,539,212	256,890
All other British countries	873,783	809,944	761,077	311,114
Total, British countries	47,255,663	47,459,372	40,877,873	32,677,713
Foreign Countries and Possessions—				
United States	4,260,315	3,653,427	2,116,752	920,931
France	1,800,897	1,768,399	519,727	419,016
Germany	1,290,071	1,220,552	401,084	309,847
All other foreign countries	1,581,535	1,477,313	1,025,256	825,521
Totals, foreign countries	8,932,818	8,119,691	4,062,819	2,475,315
Totals, all countries	56,188,481	55,579,063	44,940,692	35,153,028

Exports to all British countries during 1931 declined by £8,200,160, while exports to foreign countries declined by £1,587,504.

In 1931 exports to British countries represented 93·0 per cent. of total exports, as compared with 90·9 per cent. in 1930, while exports to foreign countries represented 7·0 per cent. in 1931 in comparison with 9·1 per cent. in 1930.

The percentages of total exports shipped to each of the principal countries trading with the Dominion during the past four calendar years are shown in the following table:—

	1928.	1929.	1930.	1931.
	Per Cent.	Per Cent.	Per Cent.	Per Cent.
United Kingdom	72·09	73·69	80·17	88·02
United States	7·58	6·57	4·71	2·62
Australia	6·05	4·21	3·45	3·33
Canada	4·39	6·03	5·65	0·73
France	3·20	3·18	1·15	1·19
Germany	2·30	2·20	0·89	0·88
Belgium	0·54	0·45	0·44	0·42
Japan	1·17	0·77	0·35	0·76

The most important feature in connection with the foregoing table is the exceptionally high proportion of our total export trade which was conducted with the United Kingdom in 1931, the percentage rising from 80·17 per cent. in the previous year to 88·02 per cent. The proportion of our exports which Canada took fell from 5·65 per cent. in 1930 to 0·73 per cent. in 1931, this being due mainly to the restrictions placed on the importation of our butter into that country, this commodity previously being our largest single item of export thither.

IMPORTS.

As stated earlier in this review, imports for 1931 aggregated £24,812,958, as compared with £43,025,914 for 1930. The table which follows shows the quantities and values of the principal items imported during those two years.

Item.	1931.		1930.	
	Quantity.	Value.	Quantity.	Value.
Wheat	Centals	113,008	168,082	77,253
Sugar	Cwt.	1,587,470	1,772,885	758,263
Tea	lb.	12,115,273	10,178,238	710,400
Whisky	Gal.	255,499	432,809	457,015
Cigarettes	lb.	525,074	874,487	395,285
Tobacco	"	3,095,519	3,919,989	734,406
Apparel	"	"	"	2,897,344
Boots and shoes	Doz. prs.	152,555	247,964	928,685
Carpets and floor-coverings	"	"	"	578,812
Drapery, &c.	"	"	"	501,519
Cotton piece-goods	"	"	"	1,872,613
Silk piece-goods	"	"	"	1,020,721
Woollen piece-goods	"	"	"	622,256
Petrol and kerosene	Gal.	65,545,249	74,621,738	2,264,754
Coal	Tons	179,060	157,943	200,419
Hardware	"	"	"	867,507
Electrical equipment	"	"	"	2,180,656
Timber	"	"	"	917,513
Motor-vehicles	No.	4,014	17,363	2,478,140
Motor-tires	"	"	"	809,763
Other imports	"	"	"	21,752,590
Total imports	"	24,812,958	"	43,025,914

Decreases in values of importations of the various items during 1931 as compared with 1930 were recorded in all cases.

The table which follows classifies the values of importations into New Zealand during the past four years according to the countries of origin.

Value of New Zealand's Imports according to Country of Origin, 1928-31.

	1928.	1929.	1930.	1931.
British Possessions, Protectorates, &c.—	£	£	£	£
United Kingdom	21,289,275	22,565,436	20,333,986	12,192,649
India	782,144	766,756	637,832	392,088
Ceylon	860,886	923,748	704,759	617,042
South African Union	104,043	100,988	92,006	69,978
Canada	3,258,828	4,792,820	3,802,925	1,224,569
Australia	3,499,151	3,258,727	3,308,915	2,437,955
Fiji	571,728	174,894	200,877	102,979
All other British countries	444,134	511,600	510,637	394,479
Totals, British countries	30,810,189	33,094,969	29,591,937	17,431,739
Foreign Countries and Possessions—				
United States	8,204,197	9,319,926	7,573,053	3,885,073
France	820,592	727,388	608,076	327,646
Germany	898,901	940,863	975,460	574,500
Belgium	498,162	587,463	448,762	289,478
Japan	576,495	625,714	565,264	304,532
Dutch East Indies	999,524	1,152,705	811,372	848,216
All other foreign countries	2,078,206	2,348,949	2,451,990	1,151,774
Totals, all foreign countries	14,076,077	15,703,008	13,433,977	7,381,219
Totals, all countries	44,886,266	48,797,977	43,025,914	24,812,958

Imports from British countries during 1931 declined by £12,160,198, whereas imports from foreign countries receded by £6,052,758. Imports from British countries in 1931 represented 70·3 per cent. of total imports, as compared with 68·8 per cent. in 1930, while imports from foreign sources represented 29·7 per cent. and 31·2 per cent. in 1931 and 1930 respectively.

In the table given below the percentages of total imports claimed by each of the principal countries trading with New Zealand are shown for the same four years.

	1928.	1929.	1930.	1931.
	Per Cent.	Per Cent.	Per Cent.	Per Cent.
United Kingdom	47·43	46·25	47·27	49·17
India	1·74	1·57	1·48	1·58
Ceylon	1·92	1·88	1·64	2·49
South African Union	0·23	0·21	0·21	0·28
Canada	7·26	9·81	8·84	4·94
Australia	7·79	6·68	7·69	9·80
Fiji	1·27	0·36	0·47	0·42
United States	18·28	19·10	17·60	15·65
France	1·83	1·49	1·41	1·32
Germany	2·00	1·93	2·27	2·32
Belgium	1·11	1·16	1·04	1·17
Japan	1·28	1·28	1·31	1·23
Dutch East Indies	2·23	2·36	1·88	3·42

The most noteworthy features in connection with the above table are increases in the proportion of imports from the United Kingdom and Australia, and decreases in the proportion obtained both from the United States and Canada.

BANKING RETURNS.

Although the returns of the six trading banks in New Zealand for the quarter ended 31st March, 1932, reflect in some directions the effects of the adverse economic conditions which prevailed throughout the whole of the year under review in this report, they nevertheless show a financial position that is sound and satisfactory. Indeed, in some respects there are noticeable improvements upon the position for the corresponding quarter of 1931.

In the first place, the returns for the quarter ended 31st March, 1932, show an excess of deposits over advances of £1,232,774, which is in marked contrast to an excess of advances over deposits of £3,080,295 which was recorded for the quarter ended 31st March, 1931, and which represents an improvement of no less than £4,313,069.

Further important features of the returns are, firstly, an increase of £213,172 in deposits, and, secondly, a decrease of £4,099,897 in advances, as compared with the figures for the quarter ended 31st March, 1931.

For the quarter under review deposits totalled £51,465,111, in comparison with £51,251,939 for the corresponding quarter of 1931. Advances, on the other hand, for the quarter ended 31st March, 1932, amounted to £50,232,337, as compared with £54,332,234, for the first quarter of the preceding year.

The relation of deposits to advances for the quarter ended 31st March in each of the past seven years is shown in the following table:—

Quarter ended 31st March,	Deposits.	Advances.	Excess of	
			Deposits.	Advances.
	£	£	£	£
1926	47,302,480	48,285,142	..	982,662
1927	45,528,812	50,800,808	..	5,271,996
1928	49,958,295	46,070,370	3,887,925	..
1929	55,345,495	46,359,744	8,985,751	..
1930	54,003,241	53,676,778	326,463	..
1931	51,251,939	54,332,234	..	3,080,295
1932	51,465,111	50,232,337	1,232,774	..

Deposits consist of two classes—namely, free or non-interest-bearing deposits, and fixed or interest-bearing deposits. The relative movements of these two classes for the first quarter of each of the past seven years are shown in the table below.

Quarter ended 31st March,	Free Deposits.	Fixed Deposits.	Total.
	£	£	£
1926	26,865,851	20,436,629	47,302,480
1927	24,440,778	21,088,034	45,528,812
1928	24,482,151	25,476,144	49,958,295
1929	25,736,743	29,608,752	55,345,495
1930	23,905,822	30,097,419	54,003,241
1931	18,329,853	32,922,086	51,251,939
1932	16,998,822	34,466,289	51,465,111

The steady tendency of free deposits to decline from the high level reached in 1926 is readily seen in the above table, as also is the equally as strong tendency of fixed deposits to increase.

Deposits shown above do not include Government deposits, which for the quarter ended 31st March, 1932, amounted to £1,871,774, as compared with £2,889,126 for the corresponding quarter of the previous year.

Advances for the January–March quarter of the current year (£50,232,337) comprised ordinary advances aggregating £49,519,631, and notes and bills discounted amounting to £712,706. For the corresponding quarter of 1931 total advances (£54,332,234) consisted of ordinary advances amounting to £53,264,390 and notes and bills discounted amounting to £1,067,844. For the quarter ended 31st March, 1932, there were consequently decreases of £3,744,759 and £355,138 in ordinary advances and in notes and bills discounted respectively.

The average notes in circulation for the quarter ended 31st March, 1932, amounted to £5,875,025, as compared with £5,802,262 for the corresponding period of 1931, an increase of £72,763. Coin and bullion, on the other hand, showed a reduction of £356,721, the total being £6,598,701, as compared with £6,955,422 for the first quarter of 1931.

TRADE WITH THE UNITED KINGDOM.

Consequent upon the fall in the prices of our principal exportable products, the value of our export trade with the United Kingdom naturally showed a substantial reduction in 1931 as compared with the preceding year. Exports last year were valued at £30,940,654 as against £36,015,303 in 1930, a reduction of £5,074,649.

The value of our imports from the United Kingdom in 1931 also showed a substantial recession, the total being £12,192,649, as compared with £20,333,986 for 1930, a reduction of £8,141,337.

It is both interesting and of importance to note that in 1931 exports to the United Kingdom represented 88 per cent. of the total value of exports to all countries. This figure compared with 73·7 per cent. in 1929 and 80·1 per cent. in 1930.

In considering these figures, and particularly in any discussions as to the importance of the United Kingdom as the main market for our produce, it must be remembered that a substantial part of our exports is sent thither merely as a convenient depot for subsequent sale and shipment to the Continent or to America. In normal years this re-export trade in New Zealand produce from the Mother-country amounts to between £7,000,000 and £8,000,000 per annum. Even after taking this fact into account there is no doubt, however, as to our great dependence upon the United Kingdom for the absorption of the largest part of our annual production of primary products.

Imports from the United Kingdom in 1931 represented 49·1 per cent. of the total value of imports from all sources, as compared with 46·3 per cent. in 1929 and 47·3 per cent. in 1930.

TRADE WITH AUSTRALIA.

The value of our trade with the Commonwealth of Australia in each of the past five years is shown in the table below :—

Year ended 31st December,		Exports to Australia.	Imports from Australia.	Total Trade.
		£	£	£
1927	.. ..	3,665,962	3,869,246	7,535,208
1928	.. ..	3,402,655	3,499,151	6,901,806
1929	.. ..	2,338,410	3,258,727	5,597,137
1930	.. ..	1,562,281	3,308,915	4,871,196
1931	.. ..	1,169,055	2,437,955	3,607,010

Both our export and our import trade with Australia declined substantially during the past calendar year, the reduction in total trade as compared with 1930 being no less than £1,264,186. This, of course, has been mainly due to the trade depression through which we have been passing, and to the consequent curtailment of both national and private expenditure throughout the Commonwealth and the Dominion. These conditions have naturally militated against the efforts of the New Zealand Trade and Tourist Commissioner in Australia to develop our export trade. It is confidently expected, however, that these efforts will bear fruit when economic conditions improve.

The Commissioner reports that during the year he placed a considerable number of New Zealand exporters in touch with buyers or potential buyers in Australia.

A large number of inquiries and investigations have been carried out by the Commissioner at the request of this and other Departments, and special reports have been submitted in regard to a variety of matters. These relate particularly to the prospects of increasing our export trade in numerous lines, such as fish, *Phormium tenax*, deer-skins, timber, tobacco, &c. The Department has also been kept regularly advised of current market quotations in Australia for the principal lines of produce.

The Commissioner states in his report that every opportunity has been taken to increase the sale of New Zealand products in Australia; that the results for the past year must reasonably be regarded as satisfactory in all the circumstances; and that so far as our trade is concerned such results should be judged not by comparisons of value which are affected materially by price fluctuations, but by quantity comparisons. In this connection it may be of interest to note that as compared with 1930 there were increases in 1931 in the volume of exports of the following products from New Zealand to Australia: Fish (preserved in tins), calf-skins, sheep-pelts, wool, tallow, clover and grass seeds, and peas.

TRADE WITH CANADA.

As with most countries, our trade with Canada during 1931 declined substantially as compared with previous years. The value of our exports was only £256,890, as against £2,539,212 in 1930; while imports from Canada in 1931 amounted to £1,224,569, in comparison with £3,802,925 in the preceding year. The figures for the past five years are as under :—

Year ended 31st December,		Exports to Canada.	Imports from Canada.	Total Trade.
		£	£	£
1927	.. ..	1,666,598	2,739,826	4,406,424
1928	.. ..	2,469,150	3,258,828	5,727,978
1929	.. ..	3,353,975	4,792,820	8,146,795
1930	.. ..	2,539,212	3,802,925	6,342,137
1931	.. ..	256,890	1,224,569	1,481,459

Apart from the effects of the depression, our export trade with Canada has been mainly affected during the past two years, and more especially in 1931, by the greatly reduced sales of butter. From the time the duty was raised in October, 1930, from the treaty rate of 1 cent to the British preferential rate of 8 cents per pound, our sales of butter have been almost entirely eliminated. Under the new treaty the rate agreed upon of 5 cents may afford an opportunity of effecting sales during periods of winter shortage; but much depends in the future upon two main factors—namely, the modification of the Hawley-Smoot tariff on milk and cream imported into the United States, and the prices received by Canadian farmers for their grain.

Canada's dairying industry has undergone remarkable changes during the past few years, and it would have been hard to predict in 1928 or 1929 that in the two subsequent years Canada would produce sufficient butter to supply her domestic needs. She actually did more than this, for her greatly increased production not only met domestic requirements, but in addition enabled her to make a surplus of ten million pounds weight available for export—mainly to England.

The New Zealand Trade and Tourist Commissioner in Canada states in his annual report that industrial, commercial, and financial conditions in Canada have been adversely affected by depressed world conditions. He is definitely of the opinion, however, that, with the exception of the United Kingdom, Canada will undoubtedly prove in the near future one of the best markets for New Zealand. With a clarification of the business outlook, and with the restoration of confidence, he states that the interchange of trade should increase, and that the value of business effected should once more establish Canada as our second-best customer in the Empire. The treaty recently concluded between the two Dominions should aid materially in this connection.

Special attention has been paid by the Commissioner to the development of our trade in sausage-casings, wool, hides, beef, mutton and lamb, canned meats, canned soup, seeds, hemp, and various other commodities.

New Zealand continues to dominate the market in cleaned sausage-casings, and their quality and the services rendered by our exporters are highly spoken of by Canadian distributors.

Under the new treaty, effective as from the 24th May last, it is expected that the value of trade in wool from New Zealand will expand. The duty of 15 cents per pound under the general tariff should divert much of the trade from foreign countries to New Zealand, although competition from the Argentine Republic is, and has been, serious.

Canadian tanners are all partial to New Zealand hides, and it is expected that when prices are competitive considerable business will be done.

The Commissioner has carried out considerable propaganda work during the year to make known the variety of seeds available from New Zealand and the purposes for which they are most suitable. On the return of normal conditions it is predicted that there will be an expansion of trade in New Zealand seeds.

Every possible step has been taken by the Commissioner to sell New Zealand lamb, and he states that with proper display and advertising this product would command substantial sales, and, moreover, that the marketing of New Zealand lamb in a normal season should go far to restore an even balance of trade between the two Dominions.

Advertising and propaganda is necessary for the marketing of our canned meats and canned soup (toheroa).

The markets for these and other New Zealand products have been fully explored by the Commissioner during the year, and every effort has been made to push sales. The attention of the Commissioner is being particularly directed to those products that are listed in the new trade agreement. These include canned kidneys and tongues, frozen rabbits, bacon, hams, and other prepared meats (not canned), lard, condensed and powdered milk, peas, seeds, onions, apples, passion-fruit pulp, honey, fur skins, hides and skins, canned whitebait, canned crayfish, oysters, casein, building-stone, binder-twine, blankets and rugs (travelling), rugs (floor or carpet), &c.

ISLAND TRADE.

Fiji.

Exports from New Zealand to Fiji in 1931 were valued at £89,245, as compared with £110,033 in 1930. Imports into the Dominion from Fiji also showed a reduction, these being valued at £102,979 in 1931, in comparison with £200,877 in the preceding year.

The values of exports and imports in each of the past five years are set out below for purposes of comparison:—

Year ended 31st December,	Exports to Fiji. £	Imports from Fiji. £
1927	120,202	424,785
1928	138,706	571,728
1929	135,652	174,894
1930	110,033	200,877
1931	89,245	102,979

Exports to Fiji consist of a fairly wide range of commodities, of which the following were some of the most important in 1931: Potted and preserved meats, £5,593; dried, preserved, and condensed milk, £1,605; fresh apples, £1,377; refined sugar, £2,407; potatoes, £3,893; tea, £7,942.

Imports from Fiji consisted almost entirely of sugar and fresh fruits, the values of these items in 1931 being £51,772 and £43,090 respectively. Imports of sugar showed a considerable reduction as compared with 1930, in which year the value was £141,626. In 1931 supplies of raw sugar, other than those obtained from Fiji, were procured almost entirely from the Dutch East Indies.

Imports of fresh fruit, consisting mainly of bananas, were valued at £49,914 in 1930, as against the figure of £43,090, shown above, for 1931.

With a view to developing our trade with Fiji, which in recent years has shown a decided tendency to recede, the Department has endeavoured to interest exporters in New Zealand in an agricultural, pastoral, and industrial show, which will be held in Fiji by the Fiji Show Association on the 11th and 12th October, 1932. The Department feels that this will be an excellent opportunity of making better known to Fiji the products which we have for sale, and has accordingly made efforts to interest exporters in the direction of making a combined display of both primary and manufactured products.

By arrangement with the Fijian Government, New Zealand enjoys on certain goods the rates applicable for "scheduled countries." These rates are lower than those under the British preferential tariff. On all other goods New Zealand obtains the benefit of British preference.

Tonga.

The value of our export trade with Tonga in 1931 also showed a substantial decrease as compared with 1930, the figures being £29,926 and £47,958 respectively in each year. Our import trade with Tonga is very small, amounting to only £625 in 1931 as against £19 in 1930.

The small value of importations from Tonga is due to the fact that the export trade of that kingdom is mainly confined to copra, a commodity which does not enter into New Zealand's import trade.

Imports into Tonga are derived from various sources, New Zealand being the principal supplier in 1930 (the latest year for which detailed statistics are available), followed by Australia, the United Kingdom, and the United States, in that order. Imports cover a wide range of commodities, in which drapery, hardware, flour, tinned meats, sugar, timber, and gunny bags figure largely.

The table which follows shows the values of exports to and imports from Tonga in each of the past five calendar years.

Year ended 31st December,					Exports to Tonga.	Imports from Tonga.
					£	£
1927	..	..	..	..	68,155	79
1928	..	..	..	..	86,695	14
1929	..	..	..	..	58,599	138
1930	..	..	..	..	47,958	19
1931	..	..	..	..	29,926	625

Western Samoa.

The value of the total import and export trade of Western Samoa in each of the past five years is shown in the following table:—

Year ended 31st December,					Imports into Samoa.	Exports from Samoa.	Total Trade.
					£	£	£
1927	..	..	..	..	304,369	335,978	640,347
1928	..	..	..	..	326,553	422,175	748,728
1929	..	..	..	..	288,849	293,938	582,787
1930	..	..	..	..	275,355	284,515	559,870
1931	..	..	..	..	164,950	194,447	359,397

Of the total value of importations in 1931, aggregating £164,950, the following amounts were obtained from the countries named; New Zealand, £56,450; Australia, £35,468; United Kingdom, £29,286; the United States, £23,805; Fiji, £6,269; Canada, £5,442; Dutch East Indies, £2,918. These seven countries together supplied 96·8 per cent. of the imports of Western Samoa.

So far as the exports of this group of islands are concerned, which in 1931 totalled £194,447, trade was shared by the following countries to the extent indicated:—

	£
European countries (exact destination unknown)	.. .. 64,299
United States	.. .. 59,687
New Zealand	.. .. 45,169
United Kingdom	.. .. 15,668
Holland	.. .. 5,470
Other countries	.. .. 4,154
Total	.. .. £194,447

As will be observed, New Zealand ranked third in importance as a market for the products of this Territory. The main item taken by New Zealand was bananas, the export value of which amounted to £39,022. The balance of exports to New Zealand mainly comprised specie (silver coin) to the value of £5,000.

The quantities and values of the principal exports of Western Samoa during the past five years are shown below :—

Year ended 31st December,	Cocoa.		Copra.		Rubber.		Bananas.	
	Tons.	Value.	Tons.	Value.	Tons.	Value.	Cases.	Value.
		£		£		£		£
1927	792	48,216	11,665	242,672	158	24,802	..	..
1928	959	69,507	15,989	319,259	167	17,268	..	..
1929	677	46,286	12,941	205,330	110	9,613	53,652	24,640
1930	1,007	61,294	12,285	166,221	101	6,461	95,867	44,259
1931	620	35,284	11,062	109,220	41	1,140	85,225	39,022

Cook and Niue Islands.

Total exports from the Cook and Niue Islands in 1931 were valued at £87,136, as compared with £125,315 in 1930, a reduction of £38,179; while imports into these islands in 1931 amounted to £80,767, as against £122,098 in the previous year, a reduction of £41,331. The figures for each of the past five calendar years are shown in the following table :—

Year ended 31st December,	Exports.			Imports.		
	Cook Islands.	Niue Island.	Total.	Cook Islands.	Niue Island.	Total.
	£	£	£	£	£	£
1927	138,357	14,350	152,707	116,606	14,006	130,612
1928	133,051	20,938	153,989	117,639	18,637	136,276
1929	124,486	22,206	146,692	106,835	19,107	125,942
1930	109,438	15,877	125,315	103,468	18,630	122,098
1931	79,945	7,191	87,136	69,260	11,507	80,767

Most of the trade of the Cook and Niue Islands is conducted with New Zealand. Next in importance in 1931, but a considerable distance behind so far as value of trade is concerned, was the United States, and then the United Kingdom. The value of the export and import trade of the islands in 1931 with the principal countries concerned is shown below :—

COOK ISLANDS.

Imports from—	£	Exports to—	£
New Zealand	49,223	New Zealand	66,932
United States	7,534	United States	8,232
United Kingdom	6,814	United Kingdom	3,963
Australia	3,471	Western Samoa	782
Other countries	2,218	Other countries	36
	<u>£69,260</u>		<u>£79,945</u>

NIUE ISLAND.

Imports from—	£	Exports to—	£
New Zealand	8,958	New Zealand	5,186
United Kingdom	961	Europe	1,725
Western Samoa	694	Western Samoa	252
Australia	678	Other countries	28
United States	145		
Other countries	71		
	<u>£11,507</u>		<u>£7,191</u>

New Zealand's share of trade with the Group in 1931 amounted to £130,299 out of a total trade of £167,903, or 77.6 per cent.

The principal exports from the Lower Group are oranges, bananas, tomatoes, and copra; from the Northern Group copra and pearl-shell; and from Niue, copra, bananas, and the well-known Niuean hats and fancy baskets.

TRADE WITH THE UNITED STATES.

Our trade with the United States during 1931 showed a substantial recession as compared with the previous year, the value of our exports amounting to £920,931 as against £2,116,752 in 1931, and imports aggregating £3,885,073 as compared with £7,573,053.

Both the volume and value of our trade with the United States have steadily declined in recent years, apparently as a result of the growth of tariff barriers in that country. The values of our export and import trade in each of the past five years, and also the importance of each relatively to total export and import trade, are shown hereunder:—

Year.	Exports.	Per Cent. of Total Exports.	Imports.	Per Cent. of Total Imports.
	£		£	
1927	2,681,091	5.53	8,079,467	18.04
1928	4,260,315	7.58	8,204,197	18.28
1929	3,653,427	6.57	9,319,926	19.10
1930	2,116,752	4.71	7,573,053	17.60
1931	920,931	2.62	3,885,073	15.66

Our principal exports to the United States in 1931 are shown below in comparison with the figures for the two previous years:—

	1929.	1930.	1931.
	£	£	£
Hides, pelts, and skins	1,650,976	1,057,715	439,859
Sausage casings and skins	262,559	331,627	151,592
Wool	656,656	267,720	41,278
<i>Phormium tenax</i>	138,776	83,255	4,115
Kauri-gum	129,432	69,496	36,520
Frozen beef	242,972	15,659	731
Grass and clover seeds	76,568	66,905	58,002

As regards our imports from the United States, in 1931 the most important item was motor-spirit and other mineral oils, which was valued at £1,610,317, as compared with £2,146,030 in 1930.

The development of our trade with the United States has been given close consideration by the New Zealand Trade and Tourist Commissioner in Toronto, and during the year direct personal contact has been made with leading firms in the United States handling New Zealand raw materials. Specific inquiries were made in Philadelphia, New York, Boston, San Francisco, and other cities as to the marketing of hides, skins, wool, hemp, casein, kauri-gum, and fruit-juices.

TRADE WITH THE EAST.

During the past year arrangements were made for the New Zealand Trade and Tourist Commissioner in Australia to visit the Dutch East Indies and Malaya for the purpose of ascertaining the prospects of marketing the products of this Dominion in those markets, and also the possibilities of developing tourist traffic between those countries and New Zealand.

The Commissioner on his return submitted a very comprehensive report, and on the basis of this report the Department issued a bulletin—No. 16—on the subject of "Trade with Malaya and the Dutch East Indies." This was circulated in October last to the press of the Dominion, to Chambers of Commerce, Manufacturers' Associations, Produce Boards, farmers' organizations, and business persons and firms throughout the Dominion.

In addition, detailed information concerning particular commodities, not contained in the general report, has been supplied to those persons and firms who are interested in such commodities. Moreover, many business houses in New Zealand have been placed in touch with a considerable number of firms both in the Dutch East Indies and Malaya, and in several cases business has definitely resulted. In a number of instances, also, the New Zealand firms have appointed agents in various parts of the East as a result of the contacts so made.

In the past New Zealand has not been able to ship fruit (apples and pears) to the Dutch East Indies, British Malaya, Ceylon, India, and other parts of the East owing to the existence of certain quarantine regulations in the Commonwealth which prevented, or at any rate hindered, the transshipment of such fruit at Sydney. As a result of representations which were recently made to the Commonwealth authorities, there will now be no restrictions on transshipment at Sydney of any of our fruit forwarded in transit to places outside of Australia. The Commonwealth authorities are willing to assist in this connection as far as possible.

Regulations are in existence in Japan which prevent transshipment of our fruit at Japanese ports for China and elsewhere. Representations have recently been made to the Japanese Government with a view to the removal of the present disabilities in this direction, but to date no reply has been received.

The Department has endeavoured to interest exporters in an exhibition which the British Chamber of Commerce proposes to hold in Hong Kong next November, as it was considered that if a comprehensive display of New Zealand products could be made valuable publicity from a trade point of view would be obtained. A number of firms have promised their support, and the whole matter is now dependent upon whether or not the Department is able to arrange with the British Chamber of Commerce in Hong Kong for such display to be made. Inquiries are proceeding in this connection, and it is hoped to notify exporters definitely upon the matter at an early date.

Representations have been made in recent months to certain shipping companies with a view to improving our shipping facilities with the East, and this matter, which is one of paramount importance so far as the development of our export trade is concerned, will continue to receive the close attention of the Department.

Our export and import trade with various parts of the East in the past three calendar years is shown below.

	1929.	1930.	1931.
	£	£	£
Exports to—			
Dutch East Indies	19,191	13,029	10,205
British Malaya	26,781	20,611	14,922
Burma	1,070	984	779
Ceylon	7,055	9,066	5,093
India	386,421	406,878	59,185
Hong Kong	12,745	14,085	14,165
China	36,348	36,493	17,625
Japan	428,577	154,741	267,899
Philippine Islands	19,342	12,491	5,414
Imports from—			
Dutch East Indies	1,152,705	811,372	848,216
British Malaya	122,721	79,382	56,949
Burma	20,938	25,443	10,459
Ceylon	923,748	704,759	617,042
India	766,756	637,832	392,088
Hong Kong	6,907	5,678	2,542
China	131,031	120,694	82,257
Japan	625,714	565,264	304,532
Philippine Islands	28,929	22,884	9,367

Although decreases are recorded above in exports to most Eastern countries for 1931, it is confidently expected that when economic conditions improve the efforts that are now being made to develop trade will bear fruit. The decrease in exports to India during the past year was due mainly to the fact that there were no shipments of gold to that country as in the two previous years.

OVERSEAS TRADE REPRESENTATION.

The Department's representation overseas has been further extended during the past year by the appointment of two additional honorary representatives. These are as follow: Mr. A. R. Hughes, Hong Kong Bank Buildings, Colombo, Ceylon, and Mr. S. Hutchison, Room 506, 23 Yuen Ming Yuen Road, Shanghai, China.

The Department is also represented in North China by Mr. L. A. L. Moore, 171 Victoria Road, Tientsin, who was appointed in an honorary capacity towards the end of 1930.

The services of these gentlemen, as of other Government representatives and honorary agents and correspondents of the Department in various parts of the world, are available to the business and commercial community of the Dominion. The question of the further extension of the Department's honorary representation in various directions is at present under consideration.

With the growing realization of the necessity for the opening-up of new markets and the development of existing ones, the number of calls upon the services of the Department's representatives abroad for the supply of trade and commercial information has steadily increased, and the value of such representatives has been correspondingly enhanced.

The services of the New Zealand Trade and Tourist Commissioners in Canada and Australia, two officers of the Department abroad engaged primarily in trade and tourist development work, must particularly be mentioned in this connection. Their services have been extensively availed of by the Department and by the commercial community both in New Zealand and overseas, and they have made every effort during the past year to increase the export trade of the Dominion with the countries in which they are located, and to further tourist traffic between those countries and New Zealand.

The attention of exporters and merchants in the Dominion is drawn to the facilities offered by the Government representatives, agents, and correspondents in various parts of the world. They are at the disposal of any person or firm desiring to extend trade relations with the countries concerned, and it is hoped that exporters and merchants in New Zealand will co-operate with the Department and with the Trade Commissioners or representatives concerned by utilizing to the fullest possible extent the services offered.

STORES CONTROL BOARD.

A representative of the Department continues to act on the Stores Control Board Advisory Committee. The value of the stores purchased by Departments of State during the year ended 31st March, 1932, was £2,715,215, against £4,286,803 for the previous financial year.

CHAMBERS OF COMMERCE.

The Department continues to be represented by honorary membership on the executive of the Chambers of Commerce in each of the chief centres.

The annual conference of the Associated Chambers of Commerce of New Zealand was held in Wellington last October. It is noteworthy to record that the triennial Congress of the Federation of Chambers of Commerce of the British Empire is to be held in Wellington next year. The forthcoming Congress is creating considerable interest in commercial circles throughout the Dominion.

MANUFACTURERS' ASSOCIATIONS.

Close co-operation has been maintained by the Department with the Manufacturers' Associations in the four centres. In each case the District Officer of the Department is associated with the executive and attends the usual business meetings of the association in an advisory capacity.

The Auckland Association in its forty-fifth annual report states that the membership now totals 303, the highest figure since its incorporation. A feature of the propaganda effort this year has been

weekly talks arranged by courtesy of IYA Station. The Auckland Association holds annually a winter show, which has proved of value in affording the public an opportunity to view the extent and variety of the articles now manufactured in the Dominion.

The Wellington Association has now a membership of 217. In conjunction with the Wellington Winter Show Association an annual winter show is held in the Show Buildings, John Street. Over 12,000 ft. of exhibition space is filled with displays of New Zealand manufactures which prove both interesting and educative. A feature of the show just held was the mannequin parade of a great variety of wearing-apparel both for men and women. During the year a "New-Zealand-made" week was held in co-operation with retailers, and 470 shop-windows in city and suburbs were devoted to the display of New-Zealand-made goods. As a further effort to obtain close public attention to the displays, prizes were offered to the public, who selected by popular vote the best-dressed window. The association issued "Buyers' Guides," which were distributed free to householders in city and suburbs, and which contained a list of goods manufactured by members of the association. The executive was associated with a "New-Zealand-made" shopping-week held at Petone during the year.

During the year the Wellington Association was favoured with the visit of Mr. Le Maistre, Director of British Standards Association, and an opportunity was afforded those interested in this matter of hearing Mr. Le Maistre at a luncheon at which over one hundred were present. As the result of this visit, and the benefits which Mr. Le Maistre so ably demonstrated would follow the adoption of standardization, definite action has been taken to form standardization committees among various industries.

The membership of the Canterbury Association was stated as 277 in the fifty-second annual report. During the year shop-window displays were held from the 13th to 18th April, and proved an outstanding success. The manufacturers and retailers entered into the project with the greatest enthusiasm, assisted very materially by the co-operation of the Christchurch newspapers. Over three hundred window displays were made. The broadcasting stations extended the privilege of free broadcast addresses during the week. A similar effort was held at Timaru, assisted by the Borough Council and the press of that town. The annual winter show was again held in the King Edward Barracks, and, though not as largely attended as previous years, the results, under present conditions, are considered satisfactory.

The membership of the Dunedin Association at the last annual meeting was 144. A feature of the Dunedin Association's publicity campaign has been the shop-window displays of New-Zealand-made goods. The effort this year resulted in 440 shop-windows being freely offered by retailers for this purpose, and very effective displays were staged, several moving displays attracting particular attention. The press of Dunedin again gave liberal support to the effort by the issue of special supplements containing messages from the Right Honourable the Prime Minister and other Cabinet Ministers. The association has extended its activity during the year beyond Dunedin in this form of propaganda by co-operating with local committees of similar movements at Invercargill, Riverton, Oamaru, and Cromwell. The results in each case have been gratifying. The organizer reported at the annual meeting that over ten thousand people had been addressed in connection with the "Keep New Zealand Busy" League. Over seven thousand had signed the pledge certificates to buy, wherever possible, New-Zealand-made goods.

STATISTICS RELATING TO MANUFACTURING INDUSTRIES.

The figures for the latest year available (1930-31) show a general decline in number of employees engaged and wages paid, and also a substantial drop in the value of production. These statistics are a reflection of the general economic position as they existed at 31st March, 1931. The general decline in trade has had the effect of increasing the short time worked by factory employees, the number of short hours worked having increased by 2,348,017 to 3,463,657.

Analyses of the data for the various industries disclose the following principal differences between the year 1929-30 and 1930-31 :—

	Year ended 31st March,		Index Numbers, 1930-31 (1929-30 = 100).
	1930.	1931.	
Establishments (number)	5,177	5,203	101
Persons engaged—			
Males (number)	68,442	63,961	93
Females (number)	17,355	16,868	97
Total number	85,797	80,829	94
Salaries and wages paid—	£	£	
To males	15,870,516	14,747,987	93
To females	1,750,948	1,649,613	94
Total	17,621,464	16,397,600	93
Motive power (horse-power)	587,552	523,647	89
Cost of materials used	£ 59,208,807	£ 49,183,959	83
Value of products	93,464,526	80,745,426	86
Added value	34,255,719	31,561,467	92
Value of—	£	£	
Land and buildings	25,446,809	24,329,077	96
Plant and machinery	46,208,345	48,085,333	104
Total	71,655,154	72,414,410	101

In the following tables the various classes of industries contributing to the factory production of the Dominion have been grouped according to general character:—

Table showing for the Years ended 31st March, 1929, 1930, and 1931, Figures relating to the various Industries classified into Four Groups as stated.

Year.	Persons engaged.	Salaries and Wages paid.	Materials used.	Value of Products.	Value added by Manufacturer.	Land, Buildings, Plant, and Machinery.
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Group 1.

Group 1 includes meat-freezing, ham and bacon curing, butter, cheese, and condensed milk, sausage-casings, fellmongering and wool-scouring, boiling-down, and manure-making.

	Number.	£	£	£	£	£
1928-29..	12,418	2,826,703	36,860,398	44,042,398	7,173,239	9,248,290
1929-30..	11,860	2,848,034	35,372,687	42,153,054	6,780,367	9,323,488
1930-31..	11,447	2,844,654	27,238,675	33,942,533	6,703,858	9,152,203

Group 2.

Group 2 includes gas making and supply, electricity generation and supply, electric tramways.

	Number.	£	£	£	£	£
1928-29..	7,319	1,876,482	4,448,650	6,970,275	2,521,625	32,282,452
1929-30..	7,191	1,853,166	4,797,333	7,414,710	2,617,377	35,322,687
1930-31..	7,409	1,909,432	4,955,975	7,554,287	2,598,312	37,001,477

Group 3.

Group 3 includes fish curing and preserving, log-sawmilling, lime crushing and burning, &c.; brick, tile, and pottery making; concrete block or pipe and fibrous-plaster making; pumice insulation; flax-milling.

	Number.	£	£	£	£	£
1928-29..	10,893	2,431,452	1,684,253	6,499,066	4,814,813	4,511,176
1929-30..	11,945	2,633,835	2,600,369	8,139,147	5,538,778	5,987,755
1930-31..	9,809	2,101,547	2,058,063	6,557,304	4,499,241	5,601,576

Group 4.

Group 4 includes all other industries.

	Number.	£	£	£	£	£
1928-29..	53,050	9,954,108	16,868,508	35,660,483	18,791,975	21,477,662
1929-30..	54,801	10,286,429	16,438,418	35,757,615	19,319,197	21,021,224
1930-31..	52,164	9,541,967	14,931,246	32,691,302	17,760,056	20,659,154

Percentage of each Group to Total.

1929-30.

1 ..	13.83	16.16	59.74	45.10	19.79	13.01
2 ..	8.38	10.52	8.11	7.93	7.64	49.30
3 ..	13.92	14.95	4.39	8.71	16.17	8.36
4 ..	63.87	58.37	27.76	38.26	56.40	29.33
Totals	100.00	100.00	100.00	100.00	100.00	100.00

1930-31.

1 ..	14.16	17.35	55.38	42.04	21.24	12.64
2 ..	9.17	11.64	10.08	9.36	8.23	51.10
3 ..	12.14	12.82	4.18	8.12	14.26	7.73
4 ..	64.53	58.19	30.36	40.48	56.27	28.53
Totals	100.00	100.00	100.00	100.00	100.00	100.00

The above tables assemble what might be termed (a) semi-primary industries, (b) certain public utilities and services, (c) semi-extractive and processing industries, and (d) other manufacturing industries.

Analyses of the data for the various industries disclose the following principal differences for the year 1930-31 and 1929-30:—

Persons engaged.

Increases.—Electric supply, 257; ship and boat, 58; boot and shoe, 57; fruit-preserving, 54.

Decreases.—Sawmilling, 991; flax-milling, 726; motor-engineering, 435; furniture, 396; meat freezing, 248; woollen-milling, 241; woodware and joinery, 232; brick and tile, &c., 210.

Salaries and Wages paid.

Increases.—Electric supply, £64,999 ; meat-freezing, £52,454.

Decreases.—Sawmilling, £280,456 ; flax-milling, £121,607 ; furniture, £89,859 ; engineering, £84,194 ; motor-engineering, £63,885 ; joinery and woodware, £55,205 ; clothing, £53,972.

Added Value.

Increases.—Grain-milling, £27,074.

Decreases.—Sawmilling, £603,348 ; motor-engineering, £270,038 ; printing and publishing, £230,193 ; flax-milling, £195,343 ; engineering, £148,074 ; clothing, £140,895.

Land, Buildings, Machinery, and Plant.

Increases.—Electric supply, £1,133,792 ; electric tramways, £299,037 ; gasmaking, £145,961 ; printing and publishing, £85,370.

Decreases.—Motor-engineering, £184,589 ; flax-milling, £178,588 ; meat-freezing, £163,682 ; chemical fertilizers, £115,963 ; woollen-milling, £81,094.

NEW INDUSTRIES.

The establishment of glass-works on a small scale is reported from Dunedin. Present operations are confined to hand-blown products. Orders have been coming in freely, and the quality, it is stated, has generally been of a good standard. Further capital to extend the present factory has been provided, and extensions to existing plant will shortly be undertaken.

A small company has been formed in Dunedin for the manufacture of laundry blue, stove and boot polishes, &c. The erection of a kiln for the drying of timber has been undertaken by a new company in Dunedin, but owing to the deplorable state of the building industry no extensive trade has been recorded. The Snowflake Lime Co., Ltd., has recently been established at Milburn with up-to-date machinery for the production of carbonate of lime.

The manufacture of radio receiving-sets has been undertaken by a number of companies in the Dominion, one company employing quite an appreciable number of employees. The quality and tone are of high standard and compare very favourably with imported sets of similar range capacity.

Several industries report new lines being added to present factory products. Among these may be mentioned the canning of blue cod by the Stewart Island Canneries, Ltd. The quality of this product is excellent, and should find an extensive market not only in New Zealand, but also on the Australian and other export markets. The Zealandia Packing Co., Ltd., have opened a factory for the kipping and canning of fish. Shearing-machines are now being manufactured by M. J. Hooper and Co., under the name of "Kiwi." The selling-prices are stated to be below those of similar imported machines. Electric irons are now manufactured in the Dominion by Holton's Electro-plating Works, Ltd. A substantial quantity has been manufactured and sold, and the irons are stated to be cheaper in price than imported lines of similar quality.

DEVELOPMENT OF INDUSTRIES COMMITTEE.

By amendment of the Scientific and Industrial Research Act, 1926, statutory authority was provided for the constitution of two committees, one for the purpose of investigating matters relating particularly to research in agriculture, and the other to investigate matters in regard to industry. This latter committee, of nine members, is commonly referred to as the Development of Industries Committee. This Department is represented on the committee by the Secretary for Industries and Commerce.

The functions of the committee, which acts in an advisory capacity to the Government, might be briefly summarized as follows: To advise the Government on the organization, conditions, prospects, difficulties, and needs of existing, new, or proposed industries ; the assistance and control which might be exercised by the State for the benefit of any industry ; to advise what steps those in control of industry might profitably and reasonably take for the better organization and development of industry ; other matters which might be recommended in order to develop or assist New Zealand industries generally.

The first meeting of the committee was held on the 12th February, 1932, and several meetings have been held since that date.

PRICE-INVESTIGATIONS.

The Department has continued during the year under review to keep a close watch upon the prices of those commodities that enter largely into the cost of living, and every effort has been made to ensure that reasonable prices are being charged to the public. Numerous inquiries, covering a wide range of products, have been carried out in this connection. Special reference may perhaps be made to the investigations into the costs of production and prices of bread in various cities and towns throughout the Dominion. As a result of these inquiries reductions in prices have been effected in certain instances. It is not possible to detail all the commodities in regard to which such investigations have been made, but amongst them may be mentioned meat, butter, cheese, bacon, sugar, milk, coal, woollen goods, knitting-wool, &c.

TIMBER.

The production of the main varieties of timber in the Dominion for the past nine years (ending at 31st March) is given in the following table:—

Year ended 31st March,	Total.	Kauri.	Rimu.	White-pine.	Matai.	Totara.	Others.
	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.
1923 ..	304,351,877	22,460,759	155,627,936	66,088,219	23,747,049	20,843,718	15,584,196
1924 ..	317,069,216	19,743,196	181,093,581	56,699,443	24,326,148	18,904,361	16,302,487
1925 ..	344,094,874	22,891,535	195,572,705	65,572,439	23,947,707	18,509,551	17,600,937
1926 ..	353,224,196	22,765,877	195,451,758	75,634,869	26,141,027	14,109,576	19,121,089
1927 ..	305,675,258	18,474,981	170,498,282	65,490,059	19,380,469	14,179,462	17,652,005
1928 ..	269,783,000	15,874,000	156,314,000	53,736,000	15,207,000	15,728,000	17,924,000
1929 ..	270,214,420	10,742,967	156,239,992	56,790,306	15,752,744	8,610,639	22,077,772
1930 ..	282,405,173	10,471,297	163,293,288	58,505,364	17,972,243	9,046,159	23,116,822
1931 ..	229,468,022	8,943,480	124,998,825	49,009,109	13,917,187	9,467,697	23,131,724

The above statistics show that the production of timber decreased by approximately 53,000,000 superficial feet during the 1930-31 period, a decline of 18·8 per cent. The number of sawmillers engaged in the production of rough-sawn timber shows an increase of 9, the relative figures being 305 in 1930 and 314 in 1931.

Employment figures show a substantial decrease in the number of workers engaged in sawmills, and for comparative purposes the following figures are submitted: 1927-28, 6,405; 1928-29, 6,264; 1929-30, 6,504; 1930-31, 5,612.

The export trade for the year under review showed a substantial reduction of 9,373,318 ft. in quantity and £128,221 in value compared with that of 1930. The relative figures show the position as follows: 1929—Quantity, 39,098,568 ft.; value, £439,299. 1930—Quantity, 26,726,318 ft.; value, £301,131. 1931—Quantity, 17,353,000; value, £172,910. Six months ended 30th June, 1932—Quantity, 13,427,000 ft.; value, £127,650.

The figures for the six months ended 30th June, 1932, indicate that the yearly figures for the current year will show a substantial increase on the figures of 1931. This increase is due mainly to a revival of the timber-export trade with Australia, which is shown when the export figures for the six months ended 30th June, 1931, are compared with the same period of this year. The relative statistics are:—

Six months ended—	Quantity. Sup. ft.	Value. £
30th June, 1931	6,304,320	65,214
30th June, 1932	12,908,586	120,815
	<u>6,604,266</u>	<u>£55,601</u>
Percentage of increase	105	85

All classes of timber show an increase in quantity exported to this market, white-pine showing the greatest increase, by 5,885,579 sup. ft. The following table shows in thousands of superficial feet the quantities of imported timber that directly competes with New Zealand native timber:—

—	1928.	1929.	1930.	1931.	1932 (Six months).
	(1,000 ft.)	(1,000 ft.)	(1,000 ft.)	(1,000 ft.)	(1,000 ft.)
Cedar	2,066	1,336	637	52	7
Oregon	16,713	16,188	12,807	2,950	604
Hemlock	4,903	4,108	6,142	662	2
Redwood	7,478	11,678	9,345	1,028	113
Butter-box shooks	2,006	3,147	4,691	2,879	447
Cheese-crate shooks	785	1,373	1,774	732	166
Total	33,951	37,830	35,396	8,303	1,339

It will be seen that imports in 1931 fell to approximately one-fourth of the total shown for 1930.

It was reported last year that the requirements of the 1931-32 season for export-fruit cases would be supplied to a large extent from local sources, replacing the quantity previously imported.

Another contributing factor in the reduction of imports was the increased supply of butter-boxes and cheese-crates obtained from local sources. The following figures indicate the substantial decreases of imports that have resulted from purchases of the above containers locally :—

	1930.		1931.	
	Quantity.	Value.	Quantity.	Value.
	Sup. ft.	£	Sup. ft.	£
Butter boxes	4,970,214	63,617	2,878,512	38,158
Cheese crates	1,892,792	18,241	732,052	6,831
Fruit cases	4,344,324	35,268	520,366	4,397
	11,207,330	117,126	4,130,930	49,386

Decrease in quantity, 7,076,400 sup. ft.; decrease in value, £67,740.

The abnormal decline in building activity is, of course, responsible for the serious decline in timber-production. The only branch of the industry that has been kept fairly busy and shown an increase in production is the case-making section. In addition to butter, cheese, fruit, and packing-cases, an increased demand for benzine, kerosene, and lubricating-oil cases has materially assisted that portion of the industry catering for this class of trade.

WHEAT, FLOUR, BREAD.

During the 1930-31 season the area sown in wheat in the Dominion was 249,014 acres, and the yield 7,579,153 bushels, an average of 30·44 bushels per acre. This quantity was not sufficient for the requirements of the Dominion, but the yield with the carry-over from the previous season was adequate without abnormal importations. The quantity of wheat imported into New Zealand during the year 1931 was 188,794 bushels, valued at £33,507.

The quantity of flour imported during the same period was 11,821 tons, valued at £123,267. Together the imports during the year 1931 of wheat and flour represent 756,202 bushels of wheat, which is equivalent approximately to one month's requirements for the Dominion.

The New Zealand Wheatgrowers' Co-operative Association, Ltd. (commonly known as the "Wheat Pool"), functioned last year and controlled the sale of a large quantity of the wheat grown in Canterbury and Otago.

To carry out the provisions of an agreement made between millers and growers, a new company, the Wheat Marketing Agency Co., Ltd., was formed early in 1932. This company provides the organization which ensures a joint control in the interests of both millers and growers of the sale and purchase of New Zealand wheat under such conditions that purchases by mills are recorded and must be made at a minimum price. Arrangements are also made for the accumulation of a reserve to meet the loss which would be involved in the sale of surplus wheat-production for export.

The area sown in wheat for harvesting in 1932 was approximately 276,000 acres, and with a satisfactory or average yield per acre the production would have been at least sufficient for national requirements. Dry weather during the growing-period and unfortunate flood conditions in South Canterbury during harvesting-period had a serious effect on the yield and a national shortage has developed.

By agreement of growers and at the urgent request of millers, arrangements were made for the importation from the available supplies in Australia of 850,000 bushels of wheat for milling. This was required not only to increase the total available for milling in the Dominion, but also for mixing purposes to increase the general quality of the flour, which in some cases was causing difficulty through the abnormal and troublesome "constitution" of the local wheat.

It was urged that mills could not (except to a limited extent) import the wheat required and pay the full duty. At the same time, it was evident that some mills were relatively much more "short" of stocks than others, while the differing levels of prices of flour throughout the Dominion made it difficult to adjust the cost of imported supplies to the different mills unless some one organization acting virtually for the Government should import and deliver at appropriate prices at the different ports. This was done by the Wheat Marketing Agency Co., Ltd., without any cost to the Government, which receives, virtually as Customs revenue, the difference between the cost of purchase and importation on the one hand, and the revenue from sale to mills on the other. This importation of milling-wheat is now proceeding.

On the 1st March of this year an alteration in the sliding scale of Customs duties on wheat and flour took effect. A reduction of £3 Os. 6d. per ton in the price of flour was made, with a consequent reduction in the selling-prices for bread.

In the main centres there is keen competition in the bread trade. The advent of the chain stores has caused cut-rate prices to be the rule.

The Department has received complaints of excessive prices being charged in a number of the smaller towns, when careful inquiries were made into all the circumstances, and adjustment of prices insisted upon where necessary,

TOBACCO INDUSTRY.

There has been very little alteration in the position of this industry during the past year. Most of the companies which were floated during the past few years to grow tobacco-leaf have either gone into liquidation or are not actively operating at present.

Several plantation companies are persisting, and are apparently dependent for success upon a new manufacturing company in Auckland, which is reported to be under agreement to take the leaf-production of the plantation companies for several years ahead. It is hoped that this manufacturing company will succeed, otherwise there is no market in sight at present for the leaf grown or proposed to be grown in the Auckland Province. An inquiry is said to have been received from England for 5,000 lb. of cigarette-tobacco leaf, but could not be filled, as Auckland Province does not as yet grow this class of leaf.

The position of the growers in the Nelson Province is relatively assured, as they continue to grow, under arrangements, leaf suitable for the requirement of the two old-established manufacturers in the Dominion. The quantity of leaf used by these factories shows a steady increase each year.

The export of New Zealand leaf tobacco during the year was nil, and production plans based upon forecasts of future export business are highly speculative.

TUNG-OIL INDUSTRY.

There are now seven companies operating in the North Auckland district, and the breaking-in of large areas of land, usually of low quality, for planting to this tree continues. It can be said that, so far as the initial stages of growth are concerned, many of these plantations show very encouraging results, the young trees showing up well, and making sturdy growth when transplanted from the nurseries. Time alone can show whether our conditions are such as will enable these trees to give commercial crops, and, as something like £1,000,000 sterling is being invested in this industry in shares, debentures, and bonds, there is a great deal at stake.

The following extract from *Bulletin of the Imperial Institute*, Vol. 30, No. 1, April, 1932, London, is significant:—

“In some countries commercial undertakings have been started to cultivate the tree. It should, however, be pointed out that it is very desirable that before the public are invited to subscribe funds for the establishment of plantations definite evidence should be obtained by small-scale trials that tung-trees can be successfully grown in the particular locality, and that they are likely to prove a remunerative crop. Data are necessary as to the rate of growth of the trees, the age at which they will bear commercial supplies of fruit, the average yield of fruit per tree, and the yield and quality of the oil. These particulars can only be obtained by establishing experimental plots of the trees in the actual locality and maintaining them for a period of years until they come into bearing. Until this preliminary work has been carried out it is impossible to form a trustworthy estimate as to the probable commercial success of any scheme for the cultivation of the trees, and their planting on a large scale cannot be recommended.”

PASSION-FRUIT INDUSTRY.

The planting of passion-fruit in the North Auckland district, and especially at Kerikeri, has reached considerable dimensions in recent years, and the crop is now so heavy that it is necessary to find means of disposal other than by selling as fresh fruit. A company was formed during the year for the purpose of extracting the juice and exporting it in a frozen condition, and optimistic statements were made regarding the markets that were available in America, Great Britain, and on the Continent at a high price.

This Department failed to find any evidence of such markets. A limited demand was found to exist in London, but at a price unpayable for the New Zealand producer. There was some indication that the beverage trade in Canada and the United States was interested in the possibilities of using passion-fruit juice, but it is almost unknown to the trade in those countries at present.

The company referred to above built a factory at Kerikeri, but did not equip it with the machinery necessary for extracting the juice.

Attempts were made to market the crop throughout the Dominion as fresh fruit, but this was not a success, and the organization for collection, packing, and distribution broke down. The unfortunate growers at Kerikeri, whose fruit had been bought under contract, received little or nothing by way of payment for supplies delivered.

A boom in company-flotations to exploit the passion-fruit-juice industry appeared imminent towards the end of the past year. The information which the Department was able to give regarding the extent of the overseas markets appears to have had a restraining influence.

INDUSTRIAL RABBITS.

Angora-rabbit Wool.—During the year the market price for Angora-rabbit wool remained relatively stable around 30s. per pound for first grade, 25s. per pound second grade, and from 15s. to 9s. per pound for third grade. Prices declined somewhat, however, towards the end of the financial year.

This stability has encouraged a number of additional persons to enter the industry, and whilst these prices remain it can be said that persons suited to this particular kind of animal husbandry can at least make a substantial portion of their living from this source. It is now possible to make financial arrangements to obtain advances on parcels of Angora-rabbit wool sent to England for sale.

Fur Rabbits.—During the year the Minister of Agriculture gave permission to the Federation of Industrial Rabbit-farmers, Christchurch, to import rabbits of the following breeds—namely, Beverns, Havanas, and Rex—and shipments have already been landed. The local rabbit-breeders will now be in a much better position to cater for the requirements of the furriers who want a wider variety of furs than the breeders have been able to supply hitherto.

DEER-SKINS.

The efforts of the Department referred to in last year's report have been successful in obtaining outlets in Australia, which is now New Zealand's best customer for this class of skin. The largest individual buyer is a firm of hide and skin merchants in Australia who became interested through the Department's representations. Renewed inquiries from New Zealand tanners for supplies have been received by the District Officers of the Department, but the demand is overtaking available supplies.

The number of skins exported for the past two years are as under :—

	1930.	1931.
Australia	155	4,892
United Kingdom	105	2
United States of America	6,162	50
Totals	<u>6,422</u>	<u>4,944</u>

PRICE OF MOTOR-SPIRIT.

The Department's investigation into the cost of importing and distributing motor-spirit within New Zealand, referred to in the last annual report of the Department, has been made the subject of a separate report, which was laid on the table of the House on the 6th October, 1931 (Parliamentary Paper H.-44c). The report sets out in detail the various costs involved, from the f.o.b. cost to the ultimate prices charged to the consumer in New Zealand. Reference is made to some difficulty in obtaining the information in the exact form required by the Department, but as a check on the information submitted by the various companies of the f.o.b. selling-price in country of production, freight and insurance, &c., information was obtained from the New Zealand Trade Commissioner in Canada, and also from the High Commissioner in London. The present high selling-price of motor-spirit is due in a large measure to the excessive distribution costs in the Dominion. These costs were shown by two companies, whose accounts were kept in a manner which accurately disclosed the information as 8·25d. and 8·8d. respectively.

The retail distributing units in this trade, as in the case of other commodities, are greatly in excess of requirements. This is clearly shown by the fact that there was at the 30th June, 1931, no less than one pump to every twenty-nine motor-vehicles registered in the Dominion.

Attention is drawn to the comments made by the Department as set out on page 12 of the report.

GAS REGULATIONS.

The Board of Trade (Gas) Regulations, which are administered by the Department, provide safeguards in respect to heating-value, purity, pressure, price, and measurement. Nineteen gas undertakings in the Dominion come within the scope of the regulations.

The work of the Gas Examiners and Inspectors of Meters has been carried out efficiently during the period under review, and the official relations with the gas companies and municipal undertakings have been most satisfactory.

COMMERCIAL TRUSTS ACT.

A number of complaints were made to the Department during the past year that the provisions of the Commercial Trusts Act, 1910 (as amended by section 12 of the Cost of Living Act, 1915), were being infringed, and in each case these were followed by full investigation by the Department into the nature and circumstances of the alleged breaches. These complaints related principally to alleged refusals to supply and to the fixation of prices of commodities covered by the schedule to the Act. In only one instance were the facts such as to justify legal action being taken, and it is anticipated that this case will be heard very shortly.

CHATELS TRANSFER ACT, 1924.

Section 57 of the Chattels Transfer Act, 1924, provides for the protection of bailors of such chattels as are referred to in the Seventh Schedule without the necessity for registration of the agreements concerned, and, furthermore, it is provided by the Act that Orders in Council may be issued to extend the Seventh Schedule by the addition of further classes of chattels recognized as being the subject of "customary hire-purchase agreements." The Department has charge of the administration of this section of the Act, and whenever applications are received for the extension of the schedule thorough investigation and inquiry is made by the District Officers in each of the four chief centres of the Dominion as to the customary trade practices, and as to the desirability or otherwise of adding such articles to the schedule.

During the past year applications were made in respect of the following classes of chattels: Dental and surgical equipment; butchers' machinery; power concrete-mixers and automatic stokers for steam boilers; machinery, implements, and accessories thereto for use in the clothing-manufacturing, laundry, and dry-cleaning industries; steel shelving, and shop and office fittings. Careful inquiries were made in regard to each of these applications, but in no instance was the evidence obtained considered sufficient to warrant the addition of the particular chattels or class of chattels to the schedule.

TRADING-COUPONS.

The Trading-coupons Act, to suppress the redemption of coupons otherwise than for cash, was made law on the 9th November, 1931. The principal and important provision of the Act is to prohibit after the 30th April, 1932, the redemption of coupons except for cash. The Act repeals the Trading-stamps Prohibition and Discount-stamps Issue Act, 1908, covering the principal provision of that Act by prohibiting the issue and redemption of any trading-coupon except by the manufacturer, packer, importer, distributor, or seller of the goods in question.

The Department has experienced some difficulty in the administration of this Act. Until certain principles at present in doubt are finally decided by decisions of the Court the difficulties involved in the determination of what constitutes a trading-coupon, and in deciding under varying circumstances when "redemption" takes place, will continue. Certain "competitions" which have been conducted in support of the sale of proprietary articles will shortly be made the subject of legal action which should decide the points at issue.

EXPORT LICENSES ORDER, 1931.

The regulations were gazetted on the 22nd December, 1931, and became operative on the 1st January, 1932. The object of the regulations was to mobilize credit in New Zealand banks in London as proceeds of sale of exports from New Zealand were available. To achieve this end the above Order provided that all shipping documents were to be negotiated through a bank operating in New Zealand. The general administration of the regulations and the issue of general licenses were controlled by the Department. Particular licenses for casual or infrequent shipments were issued by the Customs Department.

The number of general licenses issued exceeded two hundred. A bond for the due observance of the regulations was required by the Export Licenses Order, and this was accepted under the exporter's own recognizance. In some cases special undertakings were required where exports to foreign countries were financed by credits established with banks in Australia. Special arrangements were also necessary in cases where the system of financing shipments differed to some extent from that contemplated in the regulations.

The administration in issuing the general licenses involved considerable correspondence and also a great number of personal interviews with exporters. All matters arising out of the regulations were dealt with expeditiously, and any delay or inconvenience to exporting interests avoided.

BOARD OF TRADE (CINEMATOGRAPH FILMS) REGULATIONS, 1932.

These regulations were gazetted and became operative on the 7th April, 1932. They are designed to prevent certain undesirable and unfair tactics adopted in the motion-picture business adversely affecting the smaller and independent exhibitors.

The regulations empower the Minister to direct that no license under the Cinematograph Films Act be issued where the following circumstances exist:—

- (1) The theatres in any locality are adequate to meet the normal requirements, having regard to standard of film exhibited, the seating-accommodation provided, and prices of admission being reasonable.
- (2) The opening of any additional cinematograph theatre would, by reason of the limited number of reasonably good picture films available, cause undue hardship to the existing theatres:
- (3) The erection of further theatres in any locality would result in an unreasonable economic waste.

The Department in administering these regulations has obtained all necessary details regarding existing licenses and the proposals of applicants for new licenses. Applications affected by the above regulations have been received from Whangarei, Te Kuiti, Morrinsville, Parnell, Napier, Hastings, Stratford, and Rotorua. In each case the information has been placed before a Magistrate, as an independent party, for consideration and opinion as to whether or not the application for the issue of a license should be acceded to.

IMPERIAL ECONOMIC CONFERENCE.

The Imperial Economic Conference opened at Ottawa on the 21st July and closed on the 20th August. It is hoped that the agreements achieved at this Conference will be the means of deepening the channels of trade both within and without the British Empire, and will point the way to a general betterment of world conditions.

The Department was called upon to prepare a considerable amount of information for the use of the New Zealand delegates who attended the Conference, and this necessitated a good deal of statistical research and investigation, and the carrying-out of a number of inquiries concerning the industries of this Dominion.

INDUSTRIAL AND COMMERCIAL BULLETINS.

During the past year the Department has continued with the issue of bulletins containing information on industrial and commercial subjects. As usual, the bulletins have been sent to the press, Chambers of Commerce, Manufacturers' Associations, prominent business executives, overseas trade representatives, and other persons and firms to whom they are likely to be of interest and value.

The issues made during the year were as follows :—

Bulletins Nos. 15, 17, 18, and 19 : Summary of the Finance, Trade, and Industries of New Zealand for the Quarter and Year ended 30th June, 1931, 30th September, 1931, 31st December, 1931, and 31st March, 1932, respectively.

Bulletin No. 16 : Trade with Malaya and the Netherlands East Indies.

The last-mentioned bulletin was compiled by the Department from the report of the New Zealand Trade and Tourist Commissioner in Australia upon the prospects of developing the markets for the products of New Zealand in Malaya and the Netherlands East Indies.

MISCELLANEOUS ACTIVITIES.

It is impossible in this report to cover all the activities of the Department during the past year. The inquiries received from day to day are numerous and of so wide a range that it is possible to mention in detail only certain of those which fall more or less under broad general headings. Many commercial and industrial inquiries carried out by the Department are of a confidential nature and for that reason cannot be referred to in reports for publication.

In general it may be said that the Department has been called upon to an ever-increasing extent during the past few years to supply general information relating to the Dominion's industries, commerce, and economic and social conditions, and particular information relating to specified industries. This information pertains particularly to the development of markets for our products both within New Zealand and overseas, and it may be said that the functions of the Department in this connection have been substantially extended in recent years, and that the importance and value of its activities in this direction to the commercial community have been materially enhanced.

The following list of a few of the inquiries of lesser importance made by the Department during the past year may provide some indication of the extensive variety of subjects with which the officers of the Department are constantly required to deal :—

Markets for eels, crayfish, flounders, soles, and passion-fruit juice in the United Kingdom ; flounders and blue cod in Australia ; lard, canned meat, frozen rabbits, rennet, and worsted yarns in Canada ; eels on the Continent of Europe ; passion-fruit juice in America ; apples and pears in Ceylon ; glycerine, woollen piece-goods, blankets, sausage-casings, &c., in India ; seed potatoes in Egypt ; scrap metal in Japan ; livers for medicinal purposes ; Southland-beech timber ; Samoan cocoa-beans, &c.

Manufacture of nitrates, cellulose from *Phormium tenax*, wool-batt, macaroni, &c., in New Zealand.

Prices of drainpipes and fittings, bricks, tiles, sheep-dips, electric lamps, petrol, &c.

CONCLUSION.

While trade and economic conditions generally in New Zealand, as in most other parts of the world, have been unsatisfactory during the past year, it may nevertheless fairly be claimed that our banking and our external trade position, as disclosed by the statistics contained in the foregoing report and by the returns for the current year to date, are both sound and satisfactory. Economies have been made in as many avenues as possible in both public and private administration, and every effort has been made in numerous directions to reduce costs to a payable basis.

At present the gap between prices and costs remains too narrow to permit of any very rapid revival of trade activity and absorption of the unemployed in New Zealand, but it is gratifying to note that during the past few weeks there has been a stronger demand and an improvement in prices for certain of our principal exportable products. This improvement, if it continues, will do much to restore confidence and make for freer spending.

Some of the factors that have contributed to this movement are the results achieved at the Lausanne Conference, the success of the Conversion Loan in England, the general downward movement of money-rates in London in recent months, and the results of the Imperial Economic Conference at Ottawa. Advancing prices at recent wool-sales held in London and Sydney, together with increased prices for certain base metals, have also materially helped to stimulate recovery and improve the outlook for the future.

The economic recovery of New Zealand and the restoration of prosperity depend largely upon real improvement in values and staple prices, and this in turn is bound up with the general improvement in world conditions. When this definitely takes place the way will be paved for a decisive forward move in the Dominion's hitherto rapid march along the road to progress and prosperity.

APPENDIX.

MANUFACTURING INDUSTRIES.

Fruit-preserving and Jam-making.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	9	7	10
Employees (number)	325	298	352
Wages paid	£56,862	£54,983	£63,128
Value of output	£327,722	£300,424	£330,522
Value added by manufacture	£132,433	£132,204	£135,762
Imports, calendar years :—			
Jams and preserves (including preserved ginger)	£ 44,959	£ 26,772	£ 10,411
Fruits, bottled and preserved in syrup—			
Apricots	28,980	22,042	16,384
Peaches	65,803	58,330	43,535
Pears	2,024	728	1,330
Fruit-pulp, n.e.i.	4,257	5,362	1,907
Total	£146,023	£113,234	£73,567

The statistics for 1931 show substantial increases over those of 1930 in regard to number of employees, wages paid, and value of output. Import figures for 1931 show a further decline of £39,667 when compared with the previous year. Reports for the current year received by the Department indicate that the trade in jams and fruit-preserving will show a decline for 1932. The sales of candied peel remain steady, one district using exclusively locally grown lemons.

Lime and Cement.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	29	31	40
Employees (number)	875	928	912
Wages paid	£223,219	£222,831	£205,414
Value of output	£914,232	£928,200	£878,732
Value added by manufacture	£721,518	£737,968	£693,766
Imports, calendar years :—			
Cement, building (cwt.)	29,558	34,834	7,508
Value	£8,973	£8,142	£2,936

The figures reflect to some extent the decline in building activity, and reports indicate a further decline for the 1932 period. The rebuilding activity in Napier and Hastings following the earthquake disaster of February, 1931, is responsible for the abnormal use of cement in those districts at the present time.

Engineering.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	205	205	200
Employees (number)	3,741	3,890	3,455
Wages paid	£803,273	£809,884	£725,690
Value of output	£2,005,978	£1,982,720	£1,692,214
Value added by manufacture	£1,276,017	£1,263,454	£1,115,380

The reports for the current year are not reassuring, several of the larger units in the industry advising a reduction in turnover of 33 to 50 per cent. compared with 1931. A greater proportion of the work offering is for repairs, for which there is keen competition. The manufacture of lawn-mowers under present conditions continues to progress, two companies in New Zealand now making this class of machine. One company reports several new lines, such as automatic stokers, gas-meter castings, grinding-mills, bakelite mouldings.

Sauce, Pickle, and Vinegar making.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	24	23	22
Employees (number)	283	262	234
Wages paid	£50,577	£48,652	£45,270
Value of output	£230,769	£218,832	£203,741
Value added by manufacture	£126,771	£124,222	£116,610
Imports, calendar years :—			
Pickles (gallons)	4,249	2,746	1,244
Value	£2,593	£1,870	£747
Sauce and chutney (gallons)	17,035	15,327	10,046
Value	£17,417	£14,889	£11,273
Vinegar (gallons)	32,657	21,670	16,225
Value	£8,864	£7,643	£4,186

The production figures under present conditions compare fairly favourably with those of 1930. No improvement in the current year is reported, and trade generally is for the cheaper line of goods offering.

Soap and Candle making.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	23	18	22
Employees (number)	474	452	438
Wages paid	£100,155	£97,209	£96,919
Value of output	£523,230	£508,020	£478,896
Value added by manufacture	£246,800	£250,908	£251,990

The value added by manufacture, which is the best indication of industrial progress, is approximately the same as last year. Reports for the current year show some reduction in turnover. Competition is extremely keen, and price-cutting is a feature of the trade at present. The wholesale price of bar soap is the lowest since 1914. The trade in toilet soap is reported as satisfactory. Quantitatively, sales have increased, but selling-values have declined. Considerable advance has been shown in manner of packing in fancy boxes, resulting in the New Zealand product securing greater proportion of market requirements.

Coach and Motor-body Building.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	170	166	166
Employees (number)	1,405	1,522	1,385
Wages paid	£290,153	£326,082	£279,516
Value of output	£685,948	£754,774	£610,990
Value added by manufacture	£432,995	£468,574	£373,959

The reports from various units of the industry for the current year show further serious decline in output, accompanied by depletion of staffs. Some manufacturers state that business has declined by 90 per cent. compared with last year.

Biscuit and Confectionery making.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	68	59	60
Employees (number)	2,570	2,719	2,716
Wages paid	£344,463	£358,422	£367,944
Value of output	£1,547,341	£1,676,440	£1,596,660
Value added by manufacture	£758,614	£857,026	£842,829

The figures above show that the position of 1930 was well maintained. Reports for the current year show that turnover has declined, necessitating curtailed staff in some factories and short time in others. One factory reports increased turnover and overtime has been worked. Competition from local sources has been keen. Falling-off in turnover is due to a large extent to the demand for cheaper grades of confectionery.

Furniture and Cabinet making.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	331	334	335
Employees (number)	2,675	2,774	2,378
Wages paid	£515,566	£541,235	£451,376
Value of output	£1,342,948	£1,381,995	£1,156,512
Value added by manufacture	£756,285	£783,322	£649,708

Reports from the trade indicate a further decline in production figures for the current year. Staffs have been further reduced, and notwithstanding greatly reduced prices the volume of business has declined.

Ham and Bacon Factories.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	45	45	41
Employees (number)	374	396	380
Wages paid	£90,539	£94,270	£92,692
Value of output	£989,672	£1,156,621	£949,597
Value added by manufacture	£298,049	£319,178	£325,536
Cost of materials used	£691,623	£837,443	£624,061

The value of output declined by £207,024. Value added by manufacture, which indicates more accurately the position of an industry, shows an increase of £6,358. The increase is due to the lower cost of materials used which declined by £213,382.

Bricks, Pipes, Tiles, and Pottery making.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	67	66	61
Employees (number)	1,233	1,156	946
Wages paid	£278,965	£248,429	£213,895
Value of output	£666,450	£645,209	£564,489
Value added by manufacture	£640,916	£614,091	£537,775

This industry is experiencing the full effect of the serious decline in building activity. Advices received show that a substantial number of brickworks have closed down and the present demand is being supplied from accumulated stocks. The output of sanitary ware from a southern works shows an increase. Plans are under consideration for the erection of a pottery-works for the manufacture of domestic earthenware, such as teapots, flower-vases, &c.

Flax-milling.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	60	57	22
Employees (number)	879	903	177
Wages paid	£145,348	£147,830	£26,223
Value of output	£329,340	£319,369	£47,722
Value added by manufacture	£259,856	£234,760	£39,417

Rope and Twine making.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	8	5	6
Employees (number)	218	219	225
Wages paid	£41,834	£41,858	£38,296
Value of output	£187,730	£191,396	£160,401
Value added by manufacture	£81,519	£80,820	£75,841

The flax-milling industry, as the figures indicate, is in a very parlous state, due to the unprecedented collapse of the world's fibre-market. At the present time the Unemployment Board is assisting the industry in keeping the New Zealand product on several markets by subsidizing the export trade. The manufacture of flax woolpacks, sacks, bags, &c., has been under consideration by certain interests, and a prospectus inviting application for share capital to exploit a patented softening process is now before the public. It is claimed by the promoters that woolpacks lower in price than those made from jute will be available to sheep-farmers. The Government have extended assistance to the company by permitting machinery (which cannot be produced economically in the Dominion) to be imported free of Customs duty. Customs protection against dumping tactics of competing products has also been promised by the Hon. the Minister of Customs.

The export statistics stated below show the serious decline in this once-flourishing industry :—

Year.	Tons.	£
1927	19,600	535,526
1928	15,683	394,450
1929	14,720	379,942
1930	9,493	221,923
1931	2,398	38,407

Clothing.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	228	237	244
Employees (number)	7,501	7,852	7,690
Wages paid	£943,198	£970,017	£916,045
Value of output	£2,691,690	£2,811,013	£2,597,928
Value added by manufacture	£1,359,753	£1,419,696	£1,278,801
Imports, calendar years :—			
Apparel and ready-made clothing (including fur clothing)	£2,267,326	£2,091,894	£1,161,962

The position of this industry when compared with two preceding years has not shown any very serious decline. While sales of men's clothing show a decline, women's wearing-apparel has shown a slight improvement during the current year, and some units of the industry consider the outlook for next year as hopeful. The decline of £929,932 in ready-made clothing imported last year, representing a drop of 44 per cent., indicates that overseas manufacturers secured relatively a much smaller share of the depressed market requirements in comparison with New Zealand suppliers.

Agricultural and Dairy Machinery and Implement making.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	26	31	32
Employees (number)	826	963	850
Wages paid	£183,266	£211,383	£179,137
Value of output	£800,911	£844,880	£574,721
Value added by manufacture	£383,597	£420,889	£301,722

The manufacturers of these appliances attribute the principal cause of the decline which the statistics disclose to the financial position of farming industries. Business at present is very quiet and staffs have been reduced from 30 to 50 per cent. A manufacturer of hay rakes stated that the demand for this line is good, and sales are proceeding at prices fully competitive with imported lines.

Woollen-manufacturing.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	12	12	10
Employees (number)	2,576	2,478	2,237
Wages paid	£399,560	£364,549	£328,826
Value of output	£1,236,578	£1,085,279	£896,677
Value added by manufacture	£647,699	£612,793	£571,926

The value of output declined by £188,602, and value added by manufacture by £40,867. The reports for the current year reveal keen competition from local sources. Overseas manufacturers are handicapped by present adverse exchange rate between United Kingdom and New Zealand. Knitting-wools continue to be in strong demand, and while this has been of material assistance to woollen-mills in keeping production figures at present level, it has had the effect of diverting trade to some extent from other woollen-mill products.

The import figures of competing piece-goods show very substantial decreases. The three groups below show a total decline of £1,292,067, a decline of 38 per cent. on the 1930 figures.

Piece-goods.	1928.	1929.	1930.	1931.
	£	£	£	£
Artificial and pure silk	1,001,569	1,211,335	1,020,019	610,191
Woollen	785,593	742,649	622,256	401,513
Cotton and linen	1,863,355	1,841,997	1,734,653	1,073,157
Totals	3,650,517	3,795,981	3,376,928	2,084,861

Printing and Publishing.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	358	350	358
Employees (number)	8,322	8,255	8,192
Wages paid	£1,838,262	£1,859,182	£1,805,620
Value of output	£4,642,725	£4,772,811	£4,509,786
Value added by manufacture	£3,476,787	£3,569,680	£3,339,487

The increases in production recorded last year have not been maintained, and the 1931 statistics have receded below the 1929 figures. Further reduced output is recorded for the current year. Competition is very keen, and price-cutting for business is prevalent. The outlook is not promising.

Brush and Broom making.

Official statistics, year ended 31st March :—	1929.	1930.	1931.
Establishments (number)	10	14	15
Employees (number)	215	239	223
Wages paid	£40,332	£41,733	£42,415
Value of output	£111,898	£135,047	£116,107
Value added by manufacture	£67,074	£73,212	£66,479
Imports, calendar years :—			
Brushes, brushware, and brooms	£81,963	£78,003	£38,623

Unfavourable conditions are reported for the current year. Sales show a decline ranging from 15 to 25 per cent. It will be noticed that, while local production for year ending 31st March, 1931, declined £18,940, or 14 per cent., imports declined over 50 per cent. for the year ending 31st December, 1931.

Approximate Cost of Paper.—Preparation, not given; printing (1,215 copies), £32.

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