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THE LINEN FLAX INDUSTRY

Recent publicity given to the production of linen flax in New Zealand has revealed a want of understanding, and I might add of sympathy, in the objectives, attainments, and difficulties associated with the industry. My Management Committee has therefore authorised me to make the following statement, in which I shall endeavour to state clearly the objectives, attainments, and future of this industry.—J. W. HADFIELD, Director of the Linen Flax Development, Christchurch.

1. OBJECTIVES.

Background

THE point of view generally expressed is that because there has been a financial loss in the undertaking and because some factories have already closed and others will have to close some time in the future, the industry has failed in its objectives. It would be as well in the first place to be quite clear as to what these objectives were in 1940, when production was first inaugurated. Only by clearing this issue can the other points raised be seen in their true perspective.

In 1940 the British Government asked New Zealand to grow and process 15,000 acres of flax, and early in 1941, even before the first harvest had been completed, asked that the area in 1941 should be increased to the uttermost limit. Since flax fibre is essential for the prosecution of the war, flax had to be produced regardless of consequences and as rapidly as possible. We did not hesitate at that time to consider whether the undertaking would be a financial success. On the contrary, there was a crisis to be met, and one of such urgency that financial results were relatively unimportant. Who can measure the cash value of a commodity essential for the prosecution of the war? Could we in 1940 have quibbled over the possibility of a financial loss and allow the personnel of our Army, Air Force, Navy, and Mercantile Marine to risk their lives ill-equipped when we, in this country, could do something towards assisting in their equipment? Such was the background which in 1940 determined New Zealand's participation in the flax industry. Therefore it seems illogical at this stage, when the crisis is passing, to regard the high cost of production as necessarily an indication of failure.

Financial Position

Even if the explanation of expediency is accepted, there is still the criticism that the objective could have been achieved with less financial loss than has been experienced. This may or may not be true, since we have so little upon which to base comparisons. We have not seen a statement from any country which could be used for purposes of comparison with those prepared each year covering the industry in New Zealand, in which are included the cost of development, depreciation on all plant and buildings, and interest charged at 4 per cent. on all money used in the establishment and conduct of the industry. Even if such statements were available, comparisons would be difficult, because whereas in New Zealand our straw is almost entirely tank retted, other methods are adopted elsewhere. In Ireland it is mostly dam retted, in Australia dew retted, and in England most of the fibre is not retted, but green or natural flax is produced direct from the unretted straw. We do not in fact know what losses are being experienced in other countries, and therefore comparisons are not possible.

It is interesting to note, however, that in Northern Ireland, apart from paying prices equivalent to those fixed for New Zealand, the growers are paid a bonus of £10 per acre for growing flax, and that in this past season an area of over 100,000 acres of flax was sown. Nevertheless the cost of production in New Zealand has given us the gravest concern. This has been accentuated by the realisation that we are operating in trust for the British Government, and if the production costs in New Zealand are in excess of those in other countries, then we are to that extent increasing the cost of the war, and it will be the British taxpayer and not the New Zealand taxpayer who will have to meet the major portion of that increase.

While far from feeling complacent about the position, there are nevertheless several points to which attention might be drawn before judgment is passed.

Difficulties

Those who know linen flax will agree that it has been produced most successfully where it has been undertaken as a peasant industry. In fact it may be said that success has not so far been proved on any large scale such as that attempted in New Zealand and Australia. Immediately efforts are made to mechanise the industry and to introduce mass production difficulties arise, waste is increased, and quality is impaired. It is doubtful whether in any industry are to be found problems at once so