

The number of bread-baking units solely or partially controlled by returned servicemen equal 11.48 per cent. of operating units. As there are 11 ex-servicemen engaged in category (c), the aggregate number of ex-servicemen rehabilitated into the industry is 71. Included in these figures are 8 former proprietors who resumed bread-baking after their discharge from the Forces.

Bread-bakers' Flour Consumption.—During the period under review the quantity of flour used by bread-bakers and bread-pastrycooks increased by 3,838 tons. Comparative figures are as under :—

For the year ended 31st January—							Tons.
1944	..	..	..	..	..	..	101,120
1945	..	..	..	..	..	..	103,877
1946	..	..	..	..	..	..	107,715

Appreciation.—Throughout the year an excellent measure of co-operation was received from all sections—wheat-growers, flourmillers, bakers, grain-merchants, and poultry-keepers, and thanks are due to all sections.

LINEN FLAX

The control of this industry has now passed to the New Zealand Linen Flax Corporation, which was constituted by Act of Parliament in December, 1945, and in accordance with provisions of the Act the Corporation will be concerned with the growing, harvesting, and the processing of linen-flax straw up to the fibre stage. This will involve the retention and operation of factories which are located at Geraldine, Fairlie, Washdyke, Methven, Makihiki, and Winton.

Appointments of directors, representing various interests most concerned with the welfare of the industry, have been made as follows :—

F. Johnson, Chairman, and A. R. F. Mackay, Deputy Chairman (representing the Government).

A. McF. Hart and R. W. L. Beattie (representing the linen-flax growers of New Zealand).

W. Aspinwall and H. F. Sincock (representing the manufacturers using linen-flax fibre as a raw material).

F. J. Burnell, a member of the New Zealand Workers' Union.

H. A. Bissett, the manager of a factory producing linen-flax fibre (both F. J. Burnell and H. A. Bissett representing the employees of the Corporation).

T. C. Watson acts as deputy for W. Aspinwall during his absence from New Zealand.

The growing and processing of linen-flax fibre in this country was undertaken in consequence of the urgent request of the British Government in May, 1940, when, because supplies of fibre, which were previously obtained from Russia, the Baltic States, and Belgium, were cut off by enemy action, the shortage became acute. Its importance for use in aeroplane fabrics, parachute harness, fire-hose, canvas, and many other articles made it a vital war material. The agreement made with the British Government at that time extended for the duration of the war with Germany and for twelve months thereafter, but the period has since been extended to embrace the output of fibre produced from our 1945 crop, which approximates 10,000 acres.

New Zealand was not the only Empire country to which requests for flax fibre were directed, and it is interesting to note that developments in various Empire territories have led to the production on the following scale :—

	Tons.
Canada	14,510
Australia	6,820
New Zealand	7,460
Kenya	3,840

The value of fibre and tow shipped to the British Ministry of Supply from New Zealand represents a value of £(N.Z.)2,775,000. As well as assisting the Mother-country, the Dominion was able to supply fibre to the local spinner for the manufacture of linen-flax sewing and seaming twines and other products which would have been unobtainable had there been no local source of supply.

The arrangements with the British Ministry of Supply provided for the total costs of production to be met by the British Government. The loss which will result from the disposal of factories and other assets not required by the Corporation will be shared