

As stated earlier, a marked change developed in the character of secondary industries in New Zealand during and subsequent to the depression. This was due to a number of factors, including the increase in the protective character of tariffs, the raising of the exchange rate by 25 per cent., and the decision to ration imports and to control foreign exchange, all of which had a very definite effect in the stimulation of secondary industries in the Dominion. The table is relatively self-explanatory, but certain items are worth noting.

Gasmaking, which had increased steadily over the previous period, now tends to be relatively stable, due to the increased use of electricity. The fertilizer industry, which in normal times would have been expected to increase, in actual fact just maintained its position, with some decline during the war due to the absence of rock phosphate. The explanation probably is that the existing works are sufficient to cater for current demands. Admittedly, there is at the present moment a large unsatisfied demand for fertilizers. This, however, is due to the loss of supplies of rock phosphate during the war. When the present deficit is overtaken, however, it is probable that existing works will be able to satisfy the normal demands.

It is the expanding group, however, which gives a better indication of the trends at work. It must be remembered in discussing this group that, due to the war, the absence of foreign supplies, and the presence of large bodies of American troops in New Zealand or in the South Pacific, many industries were artificially stimulated, and while the immediate cause of the development was wartime demands, there is little doubt that many of them will remain as permanent features of our economy. Among such may be mentioned the fruit-preserving and jam-making industries, the engineering industries, to some extent the coach building and motor engineering industries, leather-goods manufacture and tanning industries, shipbuilding, and sail, tent, and oilskin making. Other industries, however, had shown remarkable expansion even prior to the war. In particular, mention should be made of the tobacco-preparing and cigarette-making industry. This was the result of a definite policy of the Government to encourage the utilization of locally-grown tobacco-leaf, and to obviate the necessity for the expenditure of large amounts of exchange on tobacco-preparations.

The expansion of the paper-bag and box-making industry is an illustration of recent industrial developments in the Dominion. In the engineering field there has been a remarkable expansion, and this is particularly true in the field of electrical engineering. The numbers engaged in electrical engineering have increased by some 600 per cent. over the period under review. The general engineering field also shows an increase of nearly 100 per cent.

The production of rubber goods, including vulcanizing, is a relatively new industry in the Dominion, and, although it shows considerably increased numbers in the period, there is evidence that work in this field will expand still further. Another interesting development is in the expansion of the radio industry, which had increased from practically nil in 1929-30 till to-day approximately one thousand people are engaged therein.

New Zealand is becoming more and more self-sufficient in paint and varnish manufacture. Woollen-milling has shown a remarkable increase, particularly during the war, and there are indications that this development will continue into the post-war days. There has been a considerable expansion in the boot and shoe making industry. New Zealand is to-day practically self-sufficient as far as many types of footwear are concerned.

In the fields of hosiery, knitted-goods manufacture, and clothing-manufacture there has been a substantial expansion, due largely to the demands of the war, but here again the experience gained and the capital equipment provided for war purposes will have important repercussions on post-war activity.