

health, welfare, and safety of workers. It is generally recognized that such factories frequently require more State supervision and attention to safeguard the health of working people than would normally be accorded to larger concerns.

(6) On the other hand, the much smaller group of factories employing more than 20 persons is important because of the proportion of factory workers employed in such units. Diagram II in Appendix I sets this out graphically. Ninety-three per cent. of factories employ up to 20 workers, but these factories employ less than 50 per cent. of all workers in factories. The proportion of factories employing more than 20 workers is only 7 per cent., but in these larger factories 54 per cent. of all workers are employed. The group employing 101 or more workers, although comprising only 1 per cent. of all factories, employs 27 per cent. of the workers. The larger factories are therefore much more important from the viewpoint of labour absorption than their numbers would appear to indicate.

(7) There is no typical size of production units in New Zealand. As in other countries, some types of industry can be profitably undertaken in small units and other types in larger units. The complexity of the process and the amount of heavy machinery required are two important factors relating to the size of factories. Moreover, servicing industries must be localized to carry out their functions and therefore cannot be undertaken in large centralized factories, so that these comprise a large number of the smaller units in every district. It is to be expected, therefore, as the figures reveal, that the largest factories are most numerous in the metal-working, clothing, textiles, and food processing industries, while factories in which individual craftsmanship and hand work play a more prominent part are mainly small in size. The three most important industrial groups are food processing (35,618 workers), metal-working (36,109 workers), and clothing-manufacture (34,751 workers). These three groups between them account for 65 per cent. of all factory workers, and 53 per cent. of the number of factories in the Dominion.

(8) *Inspections.*—Table XXI of the Appendix shows the number of inspections made under the various statutes and regulations administered by the Department. Under the Factories Act the inspections carried out were more than 5,000 higher than in the previous year, and were the highest total recorded since 1940–41. The following table shows the figures over the last ten years:—

Year.				Number of Inspections.	Number of Factories.	Percentage Coverage.
1939–40	..	..	..	14,817	18,141	81·7
1940–41	..	..	..	15,654	17,940	87·3
1941–42	..	..	..	12,446	17,421	71·4
1942–43	..	..	..	8,916	16,408	54·3
1943–44	..	..	..	8,011	16,010	50·0
1944–45	..	..	..	8,640	16,537	52·2
1945–46	..	..	..	7,338	17,289	42·4
1946–47	..	..	..	10,976	18,291	60·0
1947–48	..	..	..	7,955	19,102	41·6
1948–49	..	..	..	13,037	19,700	66·2

(9) In interpreting the above figures allowance must be made for the merger of the Department of Labour and the National Employment Service in 1947 which resulted in the slowing-down of factory inspections while staff new to the work was being trained (*vide* the reduction in 1947–48), and for the fact that since that time Inspectors have had additional duties in connection with employment and immigration. The increased number of trained staff available in 1948–49 is reflected in the great increase in total inspections, and it is confidently expected that a coverage as complete as any achieved