

INDUSTRIES AND COMMERCE.

THE Industries and Commerce Department, established in 1894, was combined with the Department of Agriculture in 1909, and since then its name has been incorporated with the designation of this Department.

In New Zealand, where the dominant industries are those of the land and where outward commerce centres almost entirely upon the products of the land, it is impossible to dissociate the Department of Agriculture from Government activities connected with these, and the extensive work of the Department in this respect is principally set out in the preceding parts of this report. In addition, however, a considerable volume of work has been done bearing upon commercial matters connected with other industries.

A main feature of this activity may be described as intelligence work covering the broad field of New Zealand industries and trade generally, especially in the securing of information for New Zealand producers and merchants regarding present or potential markets for our produce in overseas countries, and in aiding and assisting in overcoming difficulties brought about by shortage of shipping facilities. It has also included the furnishing of information regarding the trade and industries of the Dominion to overseas inquirers, some of whom were contemplating opening up business connections here or coming to the country to establish themselves in business.

The Department has kept in regular touch with the High Commissioner in the receiving of information regarding market conditions in Great Britain, this information (unless confidential) being at once disseminated among those interested. The High Commissioner has also been kept regularly advised as to shipments from New Zealand and export trade matters generally.

One feature of the year's work which is specially deserving of note lies in the frequent applications made for financial assistance to individuals or newly formed companies desirous of developing new processes for dealing with raw material produced in the Dominion, or with natural products from which marketable material might be manufactured. Instances of this are furnished by processes for treating seedy wool, for preparing flax-fibre and utilizing flax-waste, for extracting commercial alcohol from waste material, for producing kauri-gum oil from peat, &c. All these matters received the best attention possible in the circumstances, but the experience of a few months' contact with questions of this kind has shown that if the Government is to assume responsibilities of this nature it would be in the best interests of the Dominion if a properly constituted organization were established to devote its entire attention to them in a thorough and businesslike way. Such an organization need be only a small one, but it cannot be properly successful unless it has the direct aid of the best scientific and commercial knowledge available in the country.

In view of the fact that our meat, butter, cheese, wool, &c., are still under sale to the Imperial Government, trade in these important foodstuffs and raw materials is of course confined to the markets controlled by the Imperial authorities. Many inquiries have been received from other countries for these goods, and it is anticipated that with the lifting of the commander opportunities will arise for our own trade extending to many markets which were not open to us in pre-war times.

New Zealand is at present ably represented in Australia by a Trade Commissioner stationed in Melbourne, whose duties include the watching of the Dominion's interests generally throughout the Commonwealth, and reporting to headquarters on all matters which have any bearing on the trade of this Dominion. His office is largely used by the public and mercantile community as a convenient source of reference in regard to the multitudinous matters which are always cropping up in connection with the trade and interchange of Australia and New Zealand respectively. The New Zealand Government Agent at Sydney also deals with many commercial matters on behalf of the Dominion, and in this has done much good work.

Local business men at San Francisco and Vancouver respectively are very moderately subsidized to attend to New Zealand trade matters at these ports, and have from time to time furnished valuable information. In view of the rapidly growing interchange of trade between this Dominion and the Pacific Coast of North America, the time has arrived when serious consideration must be given to an extension of these services on sound business lines.

The alteration of the shipping route with the United Kingdom from Cape Horn or Magellan Strait to the Panama Canal has severed the connection that this country enjoyed for many years with South American ports, and we have in consequence temporarily lost the trade in stud sheep and fresh fruit that was steadily developing. Frequent inquiries have been instituted with a view to ascertaining if this trade can be resumed by occasional steamers, and later inquiries are as to whether by transshipping our products in the Panama Canal zone to lines of steamers trading to South American ports from the east and west coasts of North America the trade can still be carried on in some way, though necessarily at a serious disadvantage by comparison. The possibility of entering into trade relations with the countries of Central and South America adjacent to the Panama Canal is also receiving attention. Every effort should be made to restore the direct-trade connection.

In view of the fact that Australia does not contribute to the subsidy paid to the steamship company running the Vancouver and San Francisco steamer services, merchants in the Dominion are anxious to secure better facilities for the trade handled by these vessels, and this matter needs consideration when the contracts are renewed in the near future. The question of a flat rate of freight between the Pacific Coast and all ports in the Dominion is also one calling for attention. The class of steamers engaged in the San Francisco run has, owing to the necessities of the war, been below the standard of efficiency necessary in a service of this kind. The release of better-class passenger-liners from war work will, however, soon be effected, enabling a more satisfactory class of vessel to be put into this service. The difficulties in this direction experienced by the contracting company during the war are realized.