

1920.
NEW ZEALAND.

WOOLLEN-MILLING COMPANIES OF THE DOMINION

(REPORT OF THE BOARD OF TRADE RELATIVE TO THE OPERATIONS OF).

Laid on the Table of the House of Representatives by Leave.

5th August, 1920.

Memorandum for the Hon. E. P. Lee, President, Board of Trade, Wellington.

For some months past the Board of Trade has been carrying out an investigation relative to the operations of the woollen-milling companies of the Dominion.

The intention of the Board when undertaking this investigation was to cover the whole field of transactions from the raw wool to the point of sale to the consumer. It has been found necessary to make the investigation in several sections, and this report deals with the first of these sections—the process of manufacture of woollen goods in New Zealand and the disposal of such goods by the milling companies. Reports which will be submitted to you at a later date will present the results of the Board's inquiries into the businesses of warehousemen and retail traders.

STATISTICAL AND GENERAL.

There are at the present time ten woollen-mills in active operation in New Zealand. Four of the companies operating these mills are private registered companies, the remaining six being controlled by public companies. The names of the companies in question are as follows:—

- The Onchunga Woollen-mills (Limited).
- The Napier Woollen-mills (Limited) (formerly the Napier Woollen Company (Limited)).
- The Wellington Woollen-manufacturing Company (Limited).
- The Kaiapoi Woollen-manufacturing Company (Limited).
- Laue, Walker, Rudkin (Limited).
- The South Canterbury Woollen-manufacturing Company (Limited).
- The Oamaru Woollen-factory Company (Limited).
- Ross and Glendining (Limited).
- The Bruce Woollen-manufacturing Company (Limited).
- The Mosgiel Woollen-factory Company (Limited).

Three of the mills were established during the years 1870–79, five between 1880 and 1889, one during the period 1890–99, and one during the period 1900–4. The erection of several new mills in various parts of the country has recently been proposed. It is well recognized that prior to the war period the pressure of overseas competition was such that woollen-milling in New Zealand was by no means a lucrative business. Several of the companies carrying on this business were rapidly reaching a position of financial instability, while only one or two of the companies were earning profits which could be regarded as reasonably sufficient in a manufacturing industry. The higher profits earned in recent years have, to some extent at least, been secured as a result of the installation of new and up-to-date machinery and the adoption of improved methods of organization.

It must be understood that while each of the companies mentioned above is actively engaged in the manufacture of woollen goods, several of the leading firms are also soft-goods warehousemen, selling both colonial and imported clothing and clothing-materials; while some of the firms are also engaged in the manufacture of suits, costumes, shirts, boots, hats, &c. The allocation of capital, expenses, and profits as between the various departments of these companies is a matter which can be carried out only on the basis of intelligent estimates. The records of the various companies do not provide for the ascertainment of profits otherwise than for the businesses as a whole, but there is no evidence to show that the gross profits arising out of imported goods is less than the gross profit taken on locally manufactured goods. For this reason the particulars given in the major portion of this report cover operations which are allied to but which are not necessarily part of the business of woollen-manufacturing.

From information collected by the Census and Statistics Office it has been found that the number of workers employed by the woollen-mills of New Zealand during the census years have been as follows: 1895–96, 1,416; 1900–1, 1,693; 1905–6, 1,549; 1910–11, 1,410; 1915–16, 1,897; 1918–19, 1,878.

Although the number of workers employed in the census years 1915–16 and 1918–19 were higher than in any previous year, there is conclusive evidence that at the present time the mills are working decidedly short-handed, and as a result many of the machines are idle. In this connection it should be pointed out that, although the number of mills has not been increased during recent years, the capacity for production has been constantly increased as a result of the installation of new plant and machinery. For this reason the number of workers employed from