

With this end in view a policy of wide propaganda is being adopted, which will undoubtedly have an important influence on the buying public. Reference is made in another section of this report to the activity of the associations in respect of exhibitions of New-Zealand-made goods, and to the fact that in November next an exhibition on a large scale is to be opened in Christchurch, at which the goods to be displayed will be entirely New-Zealand-made.

The industrial progress made during recent years is shown by the following figures :—

DOMINION OF NEW ZEALAND.—MANUFACTURE AND WORKS, 1895-96 TO 1920-21.

—	1895-96.	1900-1.	1905-6.	1910-11.	1915-16.	1918-19.	1919-20.	1920-21.
Number of establishments	2,459	3,680	4,186	4,402	4,670	4,254	4,357	4,804
Number of employees ...	27,389	46,847	56,359	56,234	57,823	57,788	64,951	70,255
Amount paid in wages	1,907,592	3,302,647	4,457,619	5,572,270	6,654,504	8,042,707	11,629,406	14,645,601
Cost of materials used or operated upon	3,204,619	6,997,480	13,163,692	20,810,211	31,317,969	40,429,784	47,037,931	55,511,163
Value of output	7,934,141	12,863,969	23,371,177	31,729,002	45,454,184	58,374,507	69,680,296	82,473,569
Value of land, buildings, machinery, and plant	5,796,017	7,959,631	11,814,013	16,731,359	21,951,576	29,559,817	33,436,120	39,564,837

There is undoubted evidence that few countries in the world offer better opportunities for the establishment of certain industries than does New Zealand. The latent productivity of its soil, the wealth and diversity of its mineral resources, and the potentialities of the undeveloped hydro-electric power of the Dominion make possible an industrial development of a high degree. Information relative to the establishment of new industries is constantly being received by the Department, and every possible assistance is afforded to the promoters by the provision of information with regard to the availability, cost, and quality of raw materials, rates of wages and hours of work, tariff protection, markets, plant that can be manufactured locally, shipping and railway facilities, and on any point upon which specific information is sought. Amongst the industries recently established may be mentioned that of glass-manufacture. A factory has been erected at Penrose, near Auckland, upon which a sum of over £30,000 has already been invested. This industry will afford employment for a large number of men, and will use for its raw materials large quantities of coal and sand which the Dominion itself can readily supply. Most of the labour to be employed will be engaged in New Zealand, a few experts only being required from abroad at the commencement of operations. Another comparatively new industry which promises to be progressive and useful has been established at Auckland, for the expression of oil from linseed grown in New Zealand. Cattle-cake is a by-product for which there appears to be a growing market in the Dominion itself. Very great interest has also been taken in the Department's investigations regarding the manufacture of meat-flour in the Dominion. Many inquiries have been received from abroad for the report, and it is pleasing to say that offers have been received by the promoters for the rights to manufacture in the United States and in Great Britain. A new mill for the manufacture of wool and carpet rugs is being erected at Auckland. English experts will operate the factory, and the unskilled labour will be recruited locally. While the manufacture of textiles in New Zealand appears to have wide possibilities of a development, there is at present a lack of skilled workers, and an endeavour is being made to remedy this by co-operation between the employers, the Department of Immigration, and this Department. Considerable enterprise has been shown during the year in the manufacture of paints and varnishes. Many local firms have extended their operations, and one large Australian firm is building a factory near Wellington for the purpose of making varnishes, enamels, and household decorating specialties. Still another new industry is that now firmly established at Temuka for the manufacture of roofing-tiles and insulators. This success was attained only after a vast amount of research work had been done; various grades of clay had to be tested, testing-kilns erected, and experiments made with different classes of coal and glazing-materials. Drying-systems had also to be tried out, and the influence of the climate on the manufactured articles had to be considered. After close study of the position, and with the expenditure of many thousands of pounds, the initial difficulties were overcome, and the value of the output is now increasing rapidly. The insulators manufactured by the firm have been tested by Government experts, who are quite satisfied with their quality, and have placed a large order, with an indication that further Government orders will be given provided the quality is maintained and the prices continue to be favourable.

Owing to the rapid development of the growing of cotton in Queensland, attention is being given in the Dominion to the possibility of establishing mills for the manufacture of cotton piece-goods. Experts consider that the climates of Southland and the West Coast afford ideal conditions for the manufacture of cotton. As New Zealand has a suitable climate, and is so much nearer to Queensland than any of the Old World mills, the possibilities of establishing this important industry in the Dominion should be fully examined. In this connection it should be pointed out that Queensland's raw cotton crop amounted in 1920 to 50,000 lb.; in June of last year the crop was estimated at 4,500,000 lb.; and reports now to hand show that 10,000,000 acres of land in Queensland are suitable for the cultivation of cotton, and that its growing is being encouraged by State subsidy. The manufacturers of Great Britain are alive to the fact that unless they establish mills nearer their markets, foreigners may take advantage of the position in order to compete with importations of British cotton goods into this and other countries of the Eastern Hemisphere. Stress of competition is therefore likely to assist New Zealand in securing British capital and skill for the purpose of handling the ever-increasing raw material available from the Commonwealth.

The severe financial and industrial depression through which New Zealand is passing has caused a great deal of unemployment, and for this and other reasons the Department has paid particular attention during the past year to ensuring that every possible step would be taken to prevent the sending abroad of orders which could be filled in New Zealand itself. A study of the imports into New Zealand shows that millions of pounds' worth of machinery and plant are being purchased from