

1935.
NEW ZEALAND.

DEPARTMENT OF INDUSTRIES AND COMMERCE

(EIGHTEENTH ANNUAL REPORT OF THE).

Presented to both Houses of the General Assembly by Command of His Excellency.

YOUR EXCELLENCY,—Wellington, 27th September, 1935.
I have the honour to submit for your Excellency's information the report of the Department of Industries and Commerce for the past year.
I have, &c.,
R. MASTERS,
Minister of Industries and Commerce.
His Excellency the Governor-General of the Dominion of New Zealand.

SIR,—Wellington, 4th September, 1935.
I have the honour to submit the annual report of the Department of Industries and Commerce. This report deals with the work of the Department since the previous report was placed before Parliament, and covers generally the period ended 30th April, 1935. In certain instances, however, matters subsequent to that date are also referred to.
I have, &c.,
L. J. SCHMITT, Secretary.
To Hon. R. Masters, Minister of Industries and Commerce.

BANKING RETURNS.

THE main features of the banking position in the Dominion for the quarter ended 30th June, 1935, as disclosed by the statement of liabilities and assets of the six trading banks for that period, are briefly commented upon below.
For the quarter ended 30th June, 1935, deposits (exclusive of Government deposits) amounted to £61,272,541, as compared with £63,735,896 for the corresponding quarter of 1934, a decrease of £2,463,355. Advances, on the other hand, showed an increase of £2,515,116 for the past quarter, the figures being £43,859,245, as against £41,344,129 for the quarter ended 30th June, 1934. As a result, there was an excess of deposits over advances of £17,413,296, as compared with a similar excess of £22,391,767 for the corresponding period of the previous year.
The relation of deposits to advances for the quarter ended 30th June in each of the past ten years is shown in the following table :—

Quarter ended 30th June,	Deposits.	Advances.	Excess of	
			Deposits.	Advances.
	£	£	£	£
1926	48,269,349	48,714,742	..	445,393
1927	46,490,366	50,753,106	..	4,262,740
1928	52,947,133	45,426,955	7,520,178	..
1929	57,051,894	47,407,211	9,644,683	..
1930	53,748,038	54,063,162	..	315,124
1931	51,169,387	53,395,535	..	2,226,148
1932	52,216,782	50,581,395	1,635,387	..
1933	55,734,003	46,757,111	8,976,891	..
1934	63,735,896	41,344,129	22,391,767	..
1935	61,272,541	43,859,245	17,413,296	..

The deposits for the past quarter, totalling £61,272,541, consisted of free or non-interest bearing deposits amounting to £24,430,988 and fixed or interest-bearing deposits to the extent of £36,841,553. These figures compare with £22,874,327 and £40,861,569 for free and fixed deposits respectively for the quarter ended 30th June, 1934. For the past quarter the former class of deposits consequently showed an increase of £1,556,661 and the latter a decrease of £4,020,016.

The relative movements of the two classes of deposits for the June quarter in each of the past ten years are shown in the table which follows :—

Quarter ended 30th June,				Free Deposits.	Fixed Deposits.	Total.
				£	£	£
1926	..	..	..	27,594,496	20,674,853	48,269,349
1927	..	..	..	24,741,262	21,749,104	46,490,366
1928	..	..	..	25,357,145	27,589,988	52,947,133
1929	..	..	..	26,810,881	30,241,013	57,051,894
1930	..	..	..	23,225,864	30,522,174	53,748,038
1931	..	..	..	18,124,162	33,045,225	51,169,387
1932	..	..	..	16,815,882	35,400,900	52,216,782
1933	..	..	..	18,866,445	36,867,558	55,734,003
1934	..	..	..	22,874,327	40,861,569	63,735,896
1935	..	..	..	24,430,988	36,841,553	61,272,541

Deposits shown in the foregoing tables do not include Government deposits, which for the quarter ended 30th June, 1935, amounted to £552,614.

Advances for the past quarter, which, as previously mentioned, totalled £43,859,245, comprised ordinary advances aggregating £43,368,165 and notes and bills discounted amounting to £491,080. In comparison with these figures, ordinary advances for the corresponding quarter in 1934 totalled £39,429,093 and notes and bills discounted £1,915,036. The ordinary advances therefore showed a substantial increase of £3,939,072, and notes and bills discounted a decrease of £1,423,956.

GENERAL TRADE REVIEW.

In accordance with previous practice, a brief review is made of the statistics of the overseas trade of New Zealand for the past calendar year.

For the year ended 31st December, 1934, the value of exports from the Dominion was £49,626,747, as compared with £41,301,951 for the previous year, an increase of £8,324,796. Imports for 1934 aggregated £26,961,266, an increase of £5,509,884 as compared with the figures for 1933, in which year the imports were assessed at £21,451,382.

The foregoing figures are inclusive of specie, exports of which during 1934 amounted to £2,283,900, as compared with £296,032 for 1933. Specie imports during these two years were £1,242,000 and £424,704 respectively.

Since New Zealand currency fell to a discount on sterling at the beginning of 1930, exports of merchandise have been expressed in terms of New Zealand currency, imports of merchandise from Australia in terms of Australian currency, and from other countries in terms of sterling. Specie exports and imports are, of course, recorded at their face value.

In a comparison of one year's trade with another, it is preferable to omit exports and imports of specie, as the inclusion of those figures would tend to obscure the true trade position and movement. Specie is accordingly omitted from the following table covering the past ten years, though it is as well to point out that exports of uncoined gold, which in the case of New Zealand ranks as an ordinary export commodity, are included. The figures of total trade and of balance of trade for the past five years are shown in terms of New Zealand currency.

External Trade (excluding Specie).

Year ended 31st December,			Exports.	Imports.	Total External Trade.	Excess of	
						Exports.	Imports.
			£	£	£	£	£
1925	..	..	55,243,047	52,425,757	107,668,804	2,817,290	..
1926	..	..	45,268,924	49,811,763	95,080,687	..	4,542,839
1927	..	..	48,496,354	44,782,666	93,279,020	3,713,688	..
1928	..	..	55,570,381	44,844,102	100,414,483	10,726,279	..
1929	..	..	54,930,063	48,734,472	103,664,535	6,195,591	..
1930	..	..	44,940,517	42,662,827	89,281,000*	601,000*	..
1931	..	..	34,950,698	24,756,803	61,449,000*	8,453,000*	..
1932	..	..	35,609,919	22,989,796	60,256,000*	10,964,000*	..
1933	..	..	41,005,919	21,026,678	66,587,000*	15,425,000*	..
1934	..	..	47,342,847	25,719,266	78,624,000*	16,062,000*	..

* In terms of New Zealand currency.

EXPORTS.

The table below sets out the quantities and values of the principal commodities exported from New Zealand in each of the past two calendar years:—

Item.	1933.		1934.	
	Quantity.	Value.	Quantity.	Value.
		£		£
Butter Cwt.	2,635,247	11,648,699	2,614,519	10,042,776
Cheese "	1,982,932	4,766,319	1,984,496	4,694,459
Beef, frozen "	794,652	801,009	827,310	871,359
Lamb, frozen "	2,823,272	6,678,161	2,584,405	7,903,337
Mutton, frozen "	992,744	1,310,375	901,938	1,595,564
Hides and calf-skins .. No.	1,292,014	544,385	1,586,234	627,371
Rabbit-skins "	10,378,388	224,199	13,035,015	257,585
Pelts "	11,813,685	609,630	9,243,726	725,782
Wool Bales	823,735	7,421,152	741,916	12,516,425
Tallow Tons	28,020	516,063	27,662	480,354
Kauri-gum "	3,089	77,973	3,209	86,917
Gold Oz.	187,021	1,343,599	167,160	1,353,715
Sausage-casings Lb.	4,525,194	394,461	4,524,412	625,394
Other items "	..	4,965,926	..	7,845,709
Total exports	..	41,301,951	..	49,626,747

The 1934 figures reveal increases over 1933 in quantities and values of exports of beef, hides and calf-skins, rabbit-skins, and kauri-gum, while decreases in both quantities and values occurred in the case of butter and tallow. Lesser quantities of lamb, mutton, pelts, wool, gold, and sausage-casings were exported, but the value was higher in each case. In the case of cheese a decrease in value was recorded despite a small increase in quantity. The most notable increase in value occurred in the case of wool—namely, an increase of £5,095,273.

The direction of our export trade in 1934 is disclosed by the table which follows, the figures for the three previous years being also given for purposes of comparison:—

Value of New Zealand's Exports (including Specie) according to Country of Destination, 1931-34.

	1931.	1932.	1933.	1934.
British Possessions, Protectorates, &c.—	£	£	£	£
United Kingdom	30,940,654	32,449,231	35,571,509	40,873,140
Australia	1,169,055	1,444,860	1,393,311	1,922,516
Canada	256,890	244,160	560,875	697,865
All other British countries ..	311,114	316,074	292,486	370,780
Totals, British countries ..	32,677,713	34,454,325	37,818,181	43,864,301
Foreign Countries and Possessions—				
United States	920,931	940,015	1,188,972	1,250,364
Belgium	146,335	167,629	330,284	612,646
France	419,016	508,960	738,176	1,228,699
Germany	309,847	289,917	376,886	944,310
Japan	267,899	236,799	354,462	856,014
All other foreign countries ..	411,287	368,135	494,990	870,413
Totals, all foreign countries ..	2,475,315	2,511,455	3,483,770	5,762,446
Totals, all countries	35,153,028	36,965,780	41,301,951	49,626,747

Exports to all British countries during 1934 increased by £6,046,120, and those to foreign countries increased by £2,278,676.

In 1934 exports to British countries represented 88·0 per cent. of total exports, as compared with 91·6 per cent. in 1933, while exports to foreign countries represented 12·0 per cent. in 1934 in comparison with 8·4 per cent. in 1933.

The percentages of total exports shipped to each of the principal countries trading with the Dominion during the past four calendar years are shown in the following table :—

Country of Destination.	1931.	1932.	1933.	1934.
	Per Cent.	Per Cent.	Per Cent.	Per Cent.
United Kingdom	88·02	87·79	86·12	82·36
Australia	3·33	3·91	3·37	3·87
Canada	0·73	0·66	1·36	1·41
United States	2·62	2·54	2·88	2·52
Belgium	0·42	0·45	0·80	1·24
France	1·19	1·38	1·79	2·48
Germany	0·88	0·79	0·91	1·90
Japan	0·76	0·64	0·86	1·72

The principal feature of the foregoing table is the reduction in the percentage of our exports taken by the United Kingdom. This has declined steadily from 88·02 per cent. in 1931 to 82·36 in 1934. The substantial reduction in 1934 was compensated by increased percentages in respect of Australia, Canada, Belgium, France, Germany, and Japan.

IMPORTS.

Below are given the quantities and values of the principal items imported into New Zealand in each of the past two calendar years :—

Item.	1933.		1934.	
	Quantity.	Value.	Quantity.	Value.
		£		£
Wheat Cents	220,045	69,628	111,895	22,898
Flour „	223,041	137,223	218,785	131,724
Sugar Cwt.	1,512,731	538,476	1,481,768	518,479
Tea Lb.	11,600,254	498,596	10,170,188	580,015
Whisky Gal.	223,244	215,202	265,994	255,780
Cigarettes Lb.	352,480	121,201	593,570	199,595
Tobacco „	2,873,257	305,621	2,755,512	251,954
Apparel	..	1,138,968	..	1,178,663
Boots and shoes Doz. prs.	232,048	376,610	205,708	356,330
Carpets and floor-coverings	..	234,683	..	347,309
Drapery, &c.	..	226,329	..	261,104
Cotton piece-goods	..	1,283,604	..	1,306,293
Silk piece-goods	..	587,207	..	772,230
Woollen piece-goods	..	428,982	..	539,866
Petrol and kerosene Gal.	59,982,777	953,921	68,655,863	919,421
Coal Tons	99,272	103,909	100,715	98,355
Hardware	..	289,837	..	401,398
Electrical appliances	..	848,267	..	1,064,470
Timber	..	146,197	..	214,435
Motor-vehicles No.	3,868	531,779	14,415	1,809,574
Motor-tires	..	487,876	..	578,522
Other imports	..	11,927,266	..	15,152,851
Totals, imports	..	21,451,382	..	26,961,266

The principal countries of origin of New Zealand's imports during 1934 are shown in the next table in comparison with the figures for the three preceding years:—

Value of New Zealand's Imports (including Specie) according to Country of Origin, 1931-34.

	1931.	1932.	1933.	1934.
	£	£	£	£
British Possessions, Protectorates, &c.—				
United Kingdom	12,192,649	11,496,027	10,789,280	13,873,627
India	392,088	354,647	461,539	534,043
Ceylon	617,042	351,567	442,628	468,548
South African Union	69,978	76,970	40,517	44,875
Canada	1,224,569	1,007,178	1,012,250	1,677,764
Australia	2,437,955	2,681,393	2,674,683	3,238,124
Fiji	102,979	106,041	84,877	82,535
All other British countries	394,479	484,293	487,187	480,497
Totals, British countries	17,431,739	16,558,116	15,992,961	20,400,013
Foreign Countries and Possessions—				
United States	3,885,073	3,267,086	2,383,451	3,000,613
France	327,646	269,789	198,639	192,653
Germany	574,500	459,971	378,753	386,116
Belgium	289,478	179,970	138,620	109,712
Japan	304,532	434,636	541,346	669,278
Dutch East Indies	848,216	793,622	798,579	1,105,740
All other foreign countries	1,151,774	1,081,916	1,019,033	1,097,141
Totals, all foreign countries	7,381,219	6,486,990	5,458,421	6,561,253
Totals, all countries	24,812,958	23,045,106	21,451,382	26,961,266

Imports from British countries during 1934 increased by £4,407,052 when compared with 1933, and imports from foreign countries increased by £1,102,832.

In 1934 imports from British countries represented 75·7 per cent. of total imports, as compared with 74·6 per cent. in 1933, while imports from foreign countries represented 24·3 per cent., in comparison with 25·4 per cent. in 1933.

In the table given below imports from each of the principal countries trading with New Zealand are shown for the past four years as percentages of total imports.

Country of Origin.	1931.	1932.	1933.	1934.
	Per Cent.	Per Cent.	Per Cent.	Per Cent.
United Kingdom	49·17	49·91	50·29	51·46
India	1·58	1·54	2·20	1·98
Ceylon	2·49	1·53	2·07	1·74
South African Union	0·28	0·33	0·15	0·17
Canada	4·94	4·37	4·72	6·22
Australia	9·80	11·64	12·47	12·01
Fiji	0·42	0·46	0·39	0·31
United States	15·65	14·18	11·11	11·13
France	1·32	1·17	0·92	0·72
Germany	2·32	2·00	1·77	1·43
Belgium	1·17	0·78	0·65	0·41
Japan	1·23	1·89	2·52	2·48
Dutch East Indies	3·42	3·45	3·72	4·10

The principal feature disclosed by the foregoing table is the steadily increasing proportion of our total imports obtained from the United Kingdom. This has increased from 49·17 per cent. in 1931 to 51·46 per cent. in 1934. A further feature worthy of notice in the 1934 figures is the substantially increased percentage of imports taken from Canada. The proportion derived from Australia showed a slight recession.

TRADE WITH THE UNITED KINGDOM.

Exports from New Zealand to the United Kingdom for the calendar year 1934 were valued at £40,873,140, as compared with £35,571,509 for 1933, an increase of £5,301,631, while imports into New Zealand from the United Kingdom increased by £3,084,347, from £10,789,280 in 1933 to £13,873,627 in 1934.

Our exports to the United Kingdom in 1934 represented 82·36 per cent. of total exports, in comparison with 86·12 per cent. in 1933, while imports from the United Kingdom in the same two years represented 51·46 per cent. and 50·29 per cent. respectively.

The importance of the United Kingdom as a market for our principal primary products is readily apparent from the foregoing statistics. As remarked in the previous section, there has, however, been a steady decline in the proportion of our total exports taken by the United Kingdom, the percentage having fallen from 88·02 in 1931 to 82·36 in 1934. Conversely, there has been a compensating increase in the relative importance of other markets. In 1934, for example, the percentage taken by Belgium, France, Germany, and Japan showed a substantial increase in each case over 1933. Compared with the United Kingdom, however, other overseas markets still remain relatively small.

In considering the importance of the United Kingdom as a market for New Zealand products, it must be borne in mind that a not inconsiderable part of our exports is sent thither merely as a convenient depot for subsequent sale and shipment to the Continent of Europe and to America. Prior to the depression that has prevailed during the past few years this re-export trade in New Zealand produce amounted to between £7,000,000 and £8,000,000 per annum, but since 1930 the figures have been as follows: 1930, £4,612,765; 1931, £4,118,702; 1932, £3,798,311; 1933, £5,264,804. The figures of re-exports for 1934 are not yet available.

As has already been pointed out, the proportion of our imports derived from the United Kingdom has steadily increased during the past four years, rising from 49·17 per cent. in 1931 to 51·46 per cent. in 1933. Actually this tendency was in evidence even before 1931, for in 1929 and 1930 the percentage was still lower, being 46·25 and 47·27 respectively in those years. These figures indicate that practical expression is being given by New Zealand to the strong sentiment that prevails in this Dominion towards closer trade relations with the Empire, and especially with the United Kingdom.

TRADE WITH AUSTRALIA.

The value of our trade with Australia in each of the past five calendar years is shown in the table below :—

Year ended 31st December,			Exports to Australia.	Imports from Australia.	Total Trade.
			£	£	£
1930	..	..	1,562,281	3,308,915	4,871,196
1931	..	..	1,169,055	2,437,955	3,607,010
1932	..	..	1,444,860	2,681,393	4,126,253
1933	..	..	1,393,311	2,674,683	4,067,994
1934	..	..	1,922,516	3,238,124	5,160,640

Despite many adverse circumstances, both our export and our import trade with the Commonwealth have shown substantial increases since 1931. Ranking next to the United Kingdom, Australia is now our second best customer for our products, and is also next in importance to the United Kingdom as a supplier of goods to New Zealand.

Considerable attention has continued to be paid by the Trade Commissioner at Sydney to the development of our export trade, and reports have been submitted from time to time. These relate to such commodities as timber, fish, hides and skins, wool, and *Phormium tenax*. Wherever possible exporters and importers in New Zealand have been put in touch with buyers and sellers of a number of products in Australia.

The following table covering the past two calendar years shows the nature of the commodities that enter into our export trade with the Commonwealth, and the quantities and values of the principal items :—

				1933.		1934.	
				Quantity.	Value.	Quantity.	Value.
					£		£
Timber, sawn	..	Sup. ft.	24,842,870	226,595	33,205,938	305,615	
<i>Phormium tenax</i> (New Zealand hemp)	Tons		1,857	23,750	2,607	36,750	
Tow	..	..	513	4,590	500	4,179	
Grass and clover seeds	..	Cwt.	19,475	41,513	18,292	49,885	
Peas	..	Centals	17,482	19,270	19,883	19,436	
Oats	..	..	2,612	932	3,051	1,307	
Fish, frozen	..	Cwt.	26,469	45,400	47,552	93,422	
Sugar of milk	..	Lb.	170,240	5,007	371,920	9,942	
Wool	..	..	6,087,740	170,045	8,098,596	331,980	
Tallow	..	Tons	1,116	23,159	678	11,681	
Sausage-casings	..	Lb.	281,721	10,372	248,245	13,447	
Hides, pelts, and skins—							
Calf-skins	..	No.	101,028	16,982	337,964	63,027	
Cattle-hides	..	..	88,212	100,768	139,971	183,517	
Sheep-skins, with wool	..	..	16,145	1,865	578	141	
Sheep-skins, without wool	..	..	257,493	8,212	217,533	14,521	
Pumice sand and stone	..	Tons	2,112	7,686	2,279	6,179	
Gold—Bar, dust, ingot, and sheet		Oz.	25,793	175,797	24,736	190,974	

As will be observed, substantial increases occurred during the past year in sales of timber, hemp, frozen fish, sugar of milk, wool, calf-skins, and cattle-hides.

The Trade Agreement (New Zealand and Australia) Ratification Act, 1933, which came into effect by Proclamation on the 1st December, 1933, appears to be working satisfactorily on the whole, and is proving of benefit to both countries. Certain questions are, however, causing difficulty, and will no doubt be subjects for discussion when the Australian delegation visits New Zealand in the near future.

TRADE WITH CANADA.

The value of our export, import, and total trade with Canada in each of the past five years is shown in the following table, together with the percentages which such trade bears to total exports and imports :—

Year ended 31st December,	Exports to Canada.	Percentage of Total Exports.	Imports from Canada.	Percentage of Total Imports.	Total Trade.
	£		£		£
1930	2,539,212	5·65	3,802,925	8·84	6,342,137
1931	256,890	0·73	1,224,569	4·94	1,481,459
1932	244,160	0·66	1,007,178	4·37	1,251,338
1933	560,875	1·36	1,012,250	4·72	1,573,125
1934	697,865	1·41	1,677,764	6·22	2,375,629

It is gratifying to note that despite generally adverse conditions our trade with Canada has shown steady improvement during the past two years. Our exports have increased in value from £244,160 in 1932 to £697,865 in 1934, while imports have increased from £1,007,178 in 1932 to £1,677,764 in 1934. In the same period the percentage of our total exports taken by Canada has increased from 0·66 to 1·41, and the percentage of our total imports obtained from Canada has increased from 4·37 to 6·22.

The values of the principal items exported to Canada from New Zealand in 1934 are shown below, in comparison with the figures for the previous four years :—

	1930.	1931.	1932.	1933.	1934.
	£	£	£	£	£
Butter	1,978,281	20,797	29,441	31,320	23,277
Sausage-casings	331,208	117,761	40,523	129,129	156,645
Wool	86,274	57,540	81,295	149,245	301,058
Hides, pelts, and skins	50,876	25,152	45,749	196,562	153,764
Seeds	15,376	11,153	4,757	3,363	6,919
Frozen meat	32,616	2,719	3,884	4,143	2,299
Apples	6,525	447	7,583	13,358	25,280
Kauri-gum	4,726	4,074	3,096	2,146	2,960
Phormium fibre	4,453	1,291	2,614	604	793

Every effort has been made by the New Zealand Trade and Tourist Commissioner in Canada to increase the sales of our principal exportable products, and in numerous instances sales have definitely resulted as a direct consequence of his efforts. Special attention has been given by him to the development of our trade in such commodities as butter, meat (particularly mutton and lamb), wool, hides and skins, seeds, toheroa soup, jams and conserves, casein, dried and preserved milk, kauri-gum, and certain products of the New Zealand woollen-mills, as, for instance, woollen rugs and floor-rugs.

As will be observed from the above table, the largest increase in any one item occurred in the case of wool, exports of which increased from £149,245 in 1933 to £301,058 in 1934.

Hides and skins have shown a remarkable increase in each of the past two years over the figures for 1932 and earlier years. Proposed regulations governing the grading of hides and skins are under consideration, and it is anticipated that if these are put into effect they will result in further expansion of our export trade in these items to Canada.

The Commissioner reported favourably on the prospects of marketing New Zealand lamb in Canada, but unfortunately difficulty was experienced in securing the active support of New Zealand interests. The Department has, however, now been successful in inducing a certain firm to send a trial shipment, and it is hoped that this will be the commencement of a valuable export trade in this commodity with Canada.

So far as butter is concerned, the policy of the Canadian Government has been to develop the Canadian dairying industry with a view to fulfilling local requirements from local production, and the imposition of restrictions and provisions of other kinds has effectually kept importations from New Zealand down to comparatively negligible figures. For the calendar year 1931 exports of butter from New Zealand to Canada were only 180 tons; for 1932, 302 tons; for 1933, 350 tons; and for 1934, 312 tons.

Following upon the surveys that have been made by the Commissioner during the year as to the possibilities of increasing the sale of different New Zealand products in Canada, reports have been forwarded by him to the Department in connection therewith, and the information contained in these reports has been promptly disseminated to exporters and others interested or likely to be interested.

TRADE WITH THE UNITED STATES.

Exports from New Zealand to the United States in 1934 were valued at £1,250,364, as compared with £1,188,972 in 1933. Expressed as percentages, the figures represented 2·52 per cent. and 2·88 per cent. respectively of total exports in those years.

Imports into New Zealand from the United States during 1934 were valued at £3,000,613, in comparison with £2,383,451 for the previous year. These figures represented 11·13 per cent. and 11·11 per cent. respectively in 1934 and 1933. The proportion of our imports obtained from the United States has shown a substantial decline during the past few years—viz., from 19·10 per cent. in 1929 to 11·13 per cent. in 1934—and so also has the percentage of our export trade with the United States—namely, from 7·58 per cent. in 1928 to 2·52 per cent. in 1934. The absolute value of our export trade has, however, shown a steady increase since 1931.

The position, so far as our trade with the United States is concerned, is briefly summarized in the table below covering the past seven calendar years :—

Year ended 31st December,				Exports to the United States.	Percentage of Total Exports.	Imports from the United States.	Percentage of Total Imports.
				£		£	
1928	..	..	..	4,260,315	7·58	8,204,197	18·28
1929	..	..	..	3,653,427	6·57	9,319,926	19·10
1930	..	..	..	2,116,752	4·71	7,573,053	17·60
1931	..	..	..	920,931	2·62	3,885,073	15·65
1932	..	..	..	940,015	2·54	3,267,086	14·18
1933	..	..	..	1,188,972	2·88	2,383,451	11·11
1934	..	..	..	1,250,364	2·52	3,000,613	11·13

In considering the above figures it must be borne in mind, however, that the New Zealand statistics necessarily do not include any information regarding re-exports through other countries, and consequently do not record the full facts of our trade with the United States, which draws considerable quantities of New Zealand products through the United Kingdom. The same position arises in connection with the recorded figures of our trade with certain other countries, particularly certain European countries.

The United States, with its adoption of a strict national policy during the past few years, combined with its high tariff schedules and with the lessened buying-power of the country generally, has greatly decreased its importations of raw materials from abroad. Under such circumstances it is particularly gratifying to be able to report that our sales of hides and skins, rabbit-skins, wool, sausage-casings, tallow, and grass seeds have been well maintained and in some instances have shown substantial improvement. The extent of sales in such commodities in each of the past three years is shown hereunder :—

—					1932.	1933.	1934.
					£	£	£
Calf-skins	..	..	..	..	31,227	82,537	43,684
Cattle-hides	..	..	..	..	3,172	30,869	17,360
Rabbit-skins	..	..	..	..	41,497	155,852	187,287
Sheep-skins, with wool	..	..	..	..	9,441	64,035	43,862
Sheep-skins, without wool	..	..	..	..	197,159	380,197	372,824
Wool	..	..	..	..	32,044	88,923	104,005
Sausage-casings	..	..	..	..	99,674	170,019	312,626
Tallow	..	..	..	..	2,049	1,327	39,907
Grass and clover seeds	..	..	..	..	28,817	22,066	33,066

Close contact has been kept during the past year by the New Zealand Trade Commissioner at Toronto with leading importers in the United States interested in New Zealand products, and this has paved the way for improved trade in future years.

With the lifting of the embargo against New Zealand fruit by the United States there are prospects of our exports of apples and pears reaching such proportions that this new market will become of considerable value to New Zealand.

The New Zealand Government approached the United States Government some little time ago with the object of concluding a trade agreement, but the matter has been delayed as a result of legislative and other difficulties in the United States.

With a view to further extending both our trade and our tourist traffic with the United States the New Zealand Government recently appointed a Trade and Tourist Commissioner to the Pacific Coast of that country. The headquarters of this officer will be at Los Angeles.

TRADE WITH THE BRITISH WEST INDIES.

As was intimated in last year's annual report, the New Zealand Trade and Tourist Commissioner at Toronto visited the British West Indies towards the end of 1933, with the object of obtaining first-hand information concerning the present and potential market for New Zealand products in that

territory. It is pleasing to report that since the survey was made considerable progress has been made in sales of New Zealand exportable lines, especially foodstuffs, and that the good will of the merchants in the British West Indies has been enhanced by the visit, and by the services rendered since by New Zealand shippers. The value of our export trade has more than doubled since the visit of the Trade Commissioner, having increased from £20,970 in 1933 to £42,228 in 1934.

Providing shipping services make regular connections, there is every prospect of establishing a relatively substantial trade with Jamaica particularly. In this island considerable improvement has been effected in handling and storing New Zealand butter, ensuring maintenance of even quality until it reaches the consumer.

Only a small section of what is known as the British West Indies has been investigated and visited—namely, Jamaica, Bermuda, and the Bahamas. There still remain several important British possessions in the group to exploit—notably the Leeward and Windward Islands, Barbados, Trinidad, and British Guiana. In the meantime, however, every endeavour is being made through reputable correspondents in these territories to secure trade for New Zealand. Jamaican merchants who are represented in the neighbouring islands are already performing a very useful service by introducing New Zealand lines.

Judged from the standpoint of butter alone, this new market is well worth study. The opinion has been expressed by the Trade Commissioner that New Zealand can capture the bulk of the trade in this commodity, whether it be sold in pats, bulk, or tin containers.

The success met with at Jamaica has stimulated the interest of traders in other islands and in countries bordering on the Caribbean Sea, but a special study should be made of the extent of competition, means and cost of transportation and storage for perishable goods, before the trade can be firmly established. It is strongly recommended that every endeavour should be made to extend this market and to cover the whole of the West Indies and adjacent colonies.

ISLAND TRADE.

Fiji.

Exports from New Zealand to Fiji in 1934 were valued at £85,493, as compared with £87,435 in 1933. Imports into the Dominion from Fiji fell from £84,877 in 1933 to £82,535 in 1934.

The value of both our export and import trade with Fiji in each of the past five calendar years is set out below for purposes of comparison. As will be readily observed, trade in each direction has shown a steady recession during that period.

Year ended 31st December,							Exports to Fiji.	Imports from Fiji.
							£	£
1930	..	..	..	..	..	..	110,033	200,877
1931	..	..	..	..	..	..	89,245	102,979
1932	..	..	..	..	..	..	88,693	106,041
1933	..	..	..	..	..	..	87,435	84,877
1934	..	..	..	..	..	..	85,493	82,535

Exports of New Zealand produce to Fiji consist of a fairly wide range of commodities, of which the following were some of the more important in 1934:—

Potted and preserved meats, £6,331; potatoes, £4,233; refined sugar, £4,203; tea, £4,442; tallow, £1,324; bacon and hams, £2,221; soap, £3,643; dried, preserved, and condensed milks, £743; confectionery, £650; sawn timber, £646; fresh apples and pears, £649; onions, £94; bags and sacks, £12,133; cinematograph films, £9,064.

Imports from Fiji consisted mainly of raw sugar and fresh fruits, the values of these items in 1934 being £8,286 and £69,323 respectively. Imports of raw sugar from this source have steadily diminished in recent years, our requirements being provided mainly by the Dutch East Indies and Cuba.

Imports of fresh fruit are represented mainly by bananas, which were valued at £66,021 in 1934.

Western Samoa.

The value of the total import and export trade of Western Samoa in each of the past five calendar years is shown in the following table:—

Year ended 31st December,					Imports into Samoa.	Exports from Samoa.	Total Trade.
					£	£	£
1930	..	..	..	..	275,355	284,515	559,870
1931	..	..	..	..	164,950	194,447	359,397
1932	..	..	..	..	150,902	183,028	333,930
1933	..	..	..	..	150,856	173,837	324,693
1934	..	..	..	..	92,784	128,117	220,901

Of the total value of importations in 1934, aggregating £92,784, the following proportions were obtained from the countries named: New Zealand, £33,171; Australia, £20,562; United Kingdom, £14,457; United States, £8,949; Fiji, £3,980; Dutch East Indies, £3,092; Japan, £3,038; Hong Kong, £2,532; Canada, £784; and India, £721. These ten countries together supplied 98.39 per cent. of the imports into Western Samoa during 1934.

Exports from Western Samoa in 1934, totalling £128,117, were shipped to the countries mentioned below to the extent indicated :—

	£
New Zealand	39,519
European countries (exact destination unknown)	38,601
United Kingdom	31,307
United States	7,972
Australia	5,222
Holland	4,199
Other countries	1,297
Total	<u>£128,117</u>

New Zealand has risen to the premier position of importance as a market for the products of Western Samoa. The main commodity taken by New Zealand is bananas, the quantity in 1934 being 96,225 cases, valued at £35,796. The balance of exports to New Zealand mainly consisted of cocoa-beans, the value of this item being £3,474. Together these two items amounted to £39,270 out of a total of £39,519 exported to New Zealand.

The quantities and values of the principal exports of Western Samoa during the past five years are shown hereunder :—

Year ended 31st December,	Copra.		Cocoa-beans.		Bananas.	
	Tons.	Value.	Tons.	Value.	Cases.	Value.
		£		£		£
1930	12,285	166,221	1,007	61,294	95,867	44,259
1931	11,062	109,220	620	35,284	85,231	39,022
1932	10,879	108,698	825	49,712	66,715	20,016
1933	11,526	101,347	899	41,813	81,983	26,999
1934	8,948	60,654	1,027	29,498	96,225	35,796

Cook and Niue Islands.

Exports from the Cook and Niue Islands together in 1934 were valued at £71,648, in comparison with £85,525 in 1933, while imports into these islands in 1934 amounted to £74,821, as compared with £89,839 in the preceding year. The figures of exports from and imports into these islands are shown below for the past five years :—

Year ended 31st December,	Exports.			Imports.		
	Cook Islands.	Niue Islands.	Total.	Cook Islands.	Niue Islands.	Total.
	£	£	£	£	£	£
1930	109,438	15,877	125,315	103,468	18,630	122,098
1931	79,945	7,191	87,136	69,260	11,507	80,767
1932	73,409	13,987	87,396	63,585	14,756	78,341
1933	73,983	11,542	85,525	76,716	13,123	89,839
1934	59,307	12,341	71,648	61,449	13,372	74,821

Most of the trade of these territories is naturally conducted with New Zealand, whose share of the total trade (£146,469) in 1934 was £123,200, or 84.1 per cent. The United States, France, and the United Kingdom come next in order of importance.

The distribution of the trade of the group in 1934 is shown hereunder :—

Country.	Exports.			Imports.		
	From Cook Islands.	From Niue Islands.	Total.	Into Cook Islands.	Into Niue Islands.	Total.
	£	£	£	£	£	£
New Zealand	53,756	11,342	65,098	46,214	11,888	58,102
United Kingdom	1,094	..	1,094	4,809	658	5,467
Australia	..	5	5	4,458	515	4,973
United States of America	1,220	992	2,212	3,477	105	3,582
France	2,170	..	2,170	212	..	212
Other countries	1,067	2	1,069	2,279	206	2,485
Totals	59,307	12,341	71,648	61,449	13,372	74,821

The principal exports from the Lower Group of the Cook Islands are oranges, bananas, tomatoes, and copra ; from the Northern Group, copra and pearl-shell ; and from Niue, copra and bananas.

Tonga.

The table given hereunder shows the values of New Zealand's exports to and imports from Tonga in each of the past five calendar years:—

Year ended 31st December,					Exports to Tonga.	Imports from Tonga.
					£	£
1930	..	..	..	..	47,958	19
1931	..	..	..	..	29,926	625
1932	..	..	..	..	27,266	9,412
1933	..	..	..	..	19,407	8,331
1934	..	..	..	..	12,948	13,282

The value of our export trade with the Kingdom of Tonga has shown a steady decline for some years past. Imports, on the other hand, have shown an equally steady tendency to increase, this being due to greater purchases of bananas, our principal item of import from Tonga. In 1934 this item was valued at £12,115.

The values of the principal commodities exported to Tonga from New Zealand in 1934 were as follows: Tinned meats, £3,338; meats, all classes other than tinned, £365; sugar, £1,241; provisions, £577; timber, £1,654; miscellaneous hardware and ironmongery, £277; cordage and rope, £160; butter, £204.

TRADE WITH EUROPE.

The Government recently announced its decision to appoint, with headquarters at Brussels, a Trade and Tourist Commissioner for New Zealand in Europe, and the Secretary of this Department, Mr. G. W. Clinkard, has been appointed to fill the new post.

The establishment of this office in Europe gives recognition of the fact that the Continent, with its industrial enterprises and population, is one of our most important present and potential markets both for foodstuffs and raw materials. Direct official representation, which allows for continuous exploration and personal contact with prospective importers, must serve a very valuable purpose.

New Zealand firms at present exporting or desirous of exporting to European markets are experiencing the greatest difficulties in ascertaining and meeting the changing requirements of the authorities controlling imports, and it will be part of the duty of the Trade Commissioner to see that New Zealand exporters are kept constantly and fully informed, and wherever possible assisted, in overcoming the restrictive provisions of European trading and financial laws.

There is already a trade agreement in force between Belgium and New Zealand, this having been finalized at the end of 1933. Under this agreement each country granted the other most-favoured-nation treatment. New Zealand, in exchange for concessions in duties on cheese, flax yarns and products, apples, wool, hides, and tallow, agreed to admit certain goods from Belgium at rates of duty below the general tariff. The following table, showing trade with Belgium, discloses that our exports to that country increased considerably during 1934.

A further trade agreement has recently been finalized between Sweden and New Zealand, whereby each country has agreed to accord to the other the same treatment in matters of commerce, Customs, and navigation as is or may be accorded to the most-favoured foreign country. In addition, the Swedish Government have undertaken to admit New Zealand apples at a reduced tariff rate, it having been realized for some time that if a reduction in such duties could be obtained there would be a good prospect of that country taking a considerable quantity of our apples. During the past few years New Zealand has imported from Sweden goods of a value considerably in excess of the value of products exported to that country. It is confidently expected that the concession which has been obtained from Sweden will help to improve our balance of trade with Sweden, and it is hoped will be of great assistance to our apple-growers.

The following table shows, according to the New Zealand statistical records, the value of our export and import trade with principal European countries for each of the past three calendar years:—

					1932.	1933.	1934.
Exports to—					£(N.Z.)	£(N.Z.)	£(N.Z.)
Germany	..	..	..	..	289,917	376,886	944,310
France	..	..	..	..	508,960	738,176	1,228,699
Belgium-Luxemburg Union	..	..	..	..	167,629	330,284	612,646
Italy	..	..	..	..	85,353	97,330	205,673
Netherlands	..	..	..	..	64,484	64,827	165,074
Switzerland	..	..	..	..	1,865	1,219	699
Sweden	..	..	..	..	20,925	33,984	117,529
Norway	..	..	..	..	3,693	2,908	4,098
					1,142,826	1,645,614	3,278,728
Imports from—					£(Stg.)	£(Stg.)	£(Stg.)
Germany	..	..	..	..	459,971	378,753	386,116
France	..	..	..	..	269,737	198,639	192,653
Belgium-Luxemburg Union	..	..	..	..	179,864	138,620	109,712
Italy	..	..	..	..	119,521	115,888	153,948
Netherlands	..	..	..	..	109,145	93,437	111,690
Switzerland	..	..	..	..	87,256	87,987	73,029
Sweden	..	..	..	..	235,551	199,562	194,652
Norway	..	..	..	..	42,177	36,903	46,495
					1,503,222	1,249,789	1,268,295

The outstanding increase in the value of our total exports during 1934 to all European countries was mainly due to the increase in wool prices, together with larger purchases by those countries of skins, apples, and peas.

The foregoing figures are not truly indicative of our export trade to several of these countries—*e.g.*, Germany, France, and Belgium—because a considerable amount of New Zealand produce is purchased via the United Kingdom, and is shown in our statistics as exports to that country.

Direct exports to the eight European countries enumerated in the foregoing table consisted principally of the following products:—

	Value.	Commodity.	Value.
	£(N.Z.)		£(N.Z.)
Wool	2,755,352	Frozen and preserved fish ..	2,860
Sheep-skins	203,594	Seeds	3,513
Calf-skins	34,031	Peas	17,732
Cattle-skins	95,495	Apples	113,352
Rabbit-skins	7,325	Kauri-gum	10,510
Opossum-skins	1,000	Casein	2,518
Tallow	13,191	Sausage-casings	10,527

TRADE WITH THE EAST.

The Department has continued to give special attention to the question of the development of our export trade with the East. Until such time, however, as certain main obstacles to trade are removed development will probably continue to be slow. These obstacles are, firstly, the inadequacy of direct shipping facilities between New Zealand and certain Eastern countries, and, secondly, the comparatively high cost of freight between New Zealand and such countries resulting from the necessity for transshipment either at Sydney or at Honolulu or Vancouver, as the case may be. There are grounds for believing, however, that these difficulties may be overcome in the near future as a result of discussions in both Australia and New Zealand with representatives of shipping companies.

Numerous inquiries for a variety of New Zealand products continue to be received from all parts of the East, and in all such cases the inquirers have been placed in direct touch with persons, firms, and organizations likely to be interested. It is known to the Department that in a number of instances the obstacles referred to in the preceding paragraph have prevented quotations competitive with Australia from being submitted, and, in consequence, the persons and firms approached by the Department were unsuccessful in securing the business.

The following table shows the value of our export and import trade with various Eastern countries for each of the past three calendar years:—

	1932.	1933.	1934.
	£	£	£
Exports to—			
Dutch East Indies	5,255	5,496	2,548
British Malaya	26,868	22,929	49,727
Burma	827	743	208
Ceylon	3,498	2,670	393
Hong Kong	14,153	15,143	16,238
India	53,378	34,326	65,161
China	15,413	54,564	19,099
Japan	236,799	354,462	856,014
Philippine Islands	1,081	413	2,493
Imports from—			
Dutch East Indies	793,647	798,579	1,105,740
British Malaya	86,431	50,545	51,860
Burma	13,437	13,791	9,299
Ceylon	351,598	442,628	468,548
Hong Kong	4,832	5,039	7,745
India	354,752	461,532	534,043
Japan	434,746	541,342	669,278
China	77,283	58,228	78,765
Philippine Islands	5,654	5,626	10,573

The principal features, so far as our export trade is concerned, are the increases in 1934 in the value of sales to British Malaya, India, and Japan, and the decrease in value of sales to China. Of the increases, that in the case of Japan was by far the most important, and this occurred as a result of increased sales of wool, exports of which were valued at £689,851 in 1934, as compared with £233,229 in the preceding year.

Reference should be made to the special inquiries that have been made by the Department during the past year in relation to markets for ghee in the East, and the possibilities of manufacturing that commodity in New Zealand for export. Arrangements were made with the Department of Scientific and Industrial Research and the Dairy Research Institute at Massey Agricultural College for samples of ghee to be prepared for the purpose of trying out various overseas markets. As a result, complete

ranges of samples, each comprising eight types of ghee made from different qualities of butter and prepared in different ways, were despatched by the Department of Industries and Commerce to its representatives in those countries where such have been appointed. In places where such representatives are not located arrangements were made for the services of His Majesty's Trade Commissioners to be made available, and the samples were sent to them.

Arrangements were made by such representatives and Trade Commissioners for the samples to be tried out by suitable firms in the different countries and for reports to be submitted thereon. Samples were sent to the Dutch East Indies, British Malaya, Ceylon, India, Burma, Egypt, Hong Kong, and China. The inquiries have not yet been completed, and it is not possible at this juncture to indicate whether it would be a commercially practical proposition to manufacture ghee in New Zealand for export to the Eastern countries mentioned.

In this matter this Department has co-operated closely with the Department of Scientific and Industrial Research and the Dairy Research Institute, and work is being carried out at that Institute in regard to the manufacture of a type or types of ghee conforming to the requirements of Eastern markets. The results to date show that by reason of certain technical difficulties the preparation of suitable high-quality ghee is by no means as simple as it at first appears. It is probable, however, that these difficulties can be overcome. It will then, of course, be necessary to determine to what extent it will be commercially possible to produce and ship ghee at costs within the prices available for the different grades in the several markets referred to.

OVERSEAS TRADE REPRESENTATIVES.

Apart from the High Commissioner's office in London, New Zealand's trade representation overseas has hitherto comprised two full-time official Trade and Tourist Commissioners stationed in Australia and Canada respectively, and a number of honorary agents and correspondents in different parts of the world. Recently, however, as has been indicated in previous sections of this report, the permanent full-time representation has been extended by the appointments of Trade and Tourist Commissioners to the Continent of Europe and to the Pacific Coast of the United States. Mr. G. W. Clinkard, Secretary of the Department of Industries and Commerce and General Manager of the Tourist and Publicity Department, has been appointed to the first position, and Mr. R. M. Firth, District Manager of the Department's office at Melbourne, has been appointed to the second. These officers will shortly make their headquarters at Brussels and Los Angeles respectively.

The attention of the business and commercial community is drawn to the services and facilities offered by the above-mentioned Trade Commissioners and honorary agents and correspondents overseas. They are at the disposal of any person or firm desiring to extend trade relations with the countries concerned.

The services of these representatives have been availed of to an increasing extent, and the scope of their activities is steadily expanding. To the Trade Commissioners in Australia and Canada every credit is due for the energetic manner in which they have represented the Dominion in those countries, and to the honorary agents and correspondents the Department's thanks are due for the ready assistance and close co-operation which has at all times been given by them. Acknowledgment is also here made of the Department's appreciation of the services rendered by the High Commissioner's staff in London in connection with the carrying-out of trade inquiries on behalf of the Department.

A list of New Zealand Government offices overseas which are available for trade development purposes is given hereunder:—

Great Britain and Europe—

The High Commissioner for New Zealand, 415 Strand, London, W.C. 2.

New Zealand Trade and Tourist Commissioner, Brussels, Belgium (office to be established shortly).

Canada and United States—

New Zealand Trade and Tourist Commissioner, Canada Permanent Building, 320 Bay Street, Toronto 2.

New Zealand Trade and Tourist Commissioner, Los Angeles (office to be established shortly).

South Africa—

Mr. H. Middlebrook, 3 Natal Bank Buildings, Durban.

Mr. H. J. Constable, P.O. Box 1909, Johannesburg.

Ceylon—

Mr. A. R. Hughes, Hong Kong Bank Buildings (P.O. Box 328), Colombo.

Hong Kong—

Mr. S. T. Williamson, P. & O. Buildings, Hong Kong.

China—

Mr. S. Hutchison, P.O. Box 355, Shanghai.

Mr. C. G. Davis, care of Messrs. Hatch, Carter, and Co., Tientsin, North China.

Fiji—

Messrs. Brown and Joske, Ltd., Suva.

Australia—

New Zealand Trade and Tourist Commissioner, 14 Martin Place, Sydney.

New Zealand Government Offices, Collins House, 360 Collins Street, Melbourne.

STORES CONTROL BOARD.

The Department continues to be represented upon the Advisory Committee to the Stores Control Board, and has thereby kept in close contact with the nature and source of supply of the requirements of all Government Departments in respect to stores and equipment.

NEW ZEALAND MANUFACTURERS' FEDERATION.

The annual Conference of the New Zealand Manufacturers' Federation was held in Wellington on the 14th and 15th November last, when various matters of interest were brought forward for consideration.

The Federation has been particularly active in its work in the interests of Dominion manufacturers. The organization is now a permanent one, and the funds necessary to enable it to carry on are provided by subscription from each association.

The usefulness of the Federation was demonstrated by the assistance which was rendered to manufacturers in the handling of their case before the Tariff Commission. Recently much attention has been given to the question of industrial co-ordination, and research has been undertaken in regard to problems of particular interest to manufacturers.

MANUFACTURERS' ASSOCIATIONS.

The District Officers of the Department act in close co-operation with the Manufacturers' Association in each of the four main centres, and attend in an advisory capacity the regular meetings of the executives.

The Auckland Association, in its forty-eighth annual report, records a roll of 275 members, which represents a slight decrease on last year. The Winter Exhibition proved popular, and valuable publicity service was afforded to the many interesting exhibits of New-Zealand-made products.

The thirty-ninth annual report of the Wellington Association stated the membership to be 213. During Easter the Eleventh Annual Exhibition was held in conjunction with the Wellington Winter Show, and again articles of high-class quality and workmanship were featured. It is a matter for regret, however, that the space allotted to the association was not fully occupied. An effective method of advertising New-Zealand-made goods has been adopted by the Wellington Association. This takes the form of the distribution of pay-envelopes to various firms. Endorsed on the envelopes are twelve different slogans pointing out the advantages of purchasing New-Zealand-made goods.

During the year many inquiries have been received by the association in connection with goods of New Zealand manufacture, and information has been supplied in every instance.

The membership of the Canterbury Association was stated in its fifty-fifth annual report to be 271. The ninth Annual Winter Exhibition was again held in the King Edward Barracks. Manufacturers' exhibits were well up to standard, and there was a larger number of working exhibits. The question of proceeding with the erection of a permanent exhibition building has been deferred for a further period owing to the difficulty experienced in raising the additional necessary capital.

A feature of the Dunedin Association's publicity campaign in past years has been the shop-window displays of New-Zealand-made goods, and during the year under review the customary "Made in New Zealand Week" was again held. Comprehensive displays were made in approximately 400 shop-windows, and in this way the public were enabled to obtain a splendid opportunity of judging the quality, price, and extent of New-Zealand-made products. The press of Dunedin gave liberal support to the effort by the issue of special supplements in connection with the "Made in New Zealand Week."

STATISTICS RELATING TO MANUFACTURING INDUSTRIES.

The following table sets forth the statistics relating to manufacturing industries for the year ended 31st March, 1934. For purposes of comparison, the figures of the preceding year are also shown. A slight improvement in the figures for the year under review is evidenced by the comparison so made:—

	Year.		Index Numbers, 1933-34 (1932-33 = 100).
	1932-33.	1933-34.	
Establishments (number)	4,993	5,028	101
Persons engaged—			
Males (number)	52,454	55,299	105
Females (number)	16,467	17,352	105
Total number	68,921	72,651	105
Salaries and wages paid—	£	£	
To males	10,588,745	10,611,161	100
To females	1,459,403	1,495,339	100
Total	12,048,148	12,106,500	100
Motive power (horse-power)	642,116	645,547	101
Cost of materials used	42,600,490	46,919,193	110
Other expenses	8,222,595	8,257,261	100
Value of products	66,109,455	71,770,872	109
Added value	23,508,965	24,851,679	106
Value of—	£	£	
Land and buildings	22,909,677	22,159,073	97
Plant and machinery	42,945,770	42,231,331	98
Total	65,855,447	64,390,404	98

Analysis of the data for the various industries discloses the following principal differences for the years 1932-33 and 1933-34 :—

Persons employed.

Increases.—Meat-freezing, &c., 1,288 ; printing, 291 ; clothing, 261 ; biscuit and confectionery, 226 ; butter, cheese, and condensed milk, 209 ; electricity, 184 ; boot and shoe, 152 ; woollen-mills, 117 ; tobacco-preparing, &c., 82 ; brick, tile, and pottery, 62 ; grain-milling, 52.

Decreases.—Sawmilling, 536 ; coopering, &c., 69 ; coachbuilding and motor engineering, 69 ; lime-crushing, 57 ; ship and boat building, 53 ; sail and tent making, 51.

Salaries and Wages paid.

Increases.—Sawmilling, £62,507 ; electricity generation and supply, £32,648 ; clothing, £24,665 ; small machines, appliances, &c., £13,054 ; grain-milling, £10,068 ; woollen-milling, £9,804 ; brick, tile, and pottery, £8,497 ; sail and tent making, £7,355 ; concrete block or pipe and fibrous-plaster making, £7,352 ; chemical fertilizers refining, £7,157 ; hosiery-making, £5,431.

Decreases.—Coachbuilding and motor engineering, £38,214 ; meat-freezing, &c., £37,692 ; engineering, £15,688 ; brewing and malting, £14,974 ; coopering and case-making, £14,727 ; gasmaking, £10,448 ; ship and boat building, £9,681 ; aerated-water and cordial manufacture, £6,983 ; fruit-preserving and jam-making, £6,472 ; chemicals manufacture, £5,115.

Added Value.

From an industrial viewpoint, the best measure of the importance of an industry is the value created by the manufacturing operations carried on by the industry. This value is obtained by deducting the cost of materials used from the gross value of the products, and is referred to as the “added value.” As the basis of the added value is the value of the products, it is clear that it must be affected by fluctuations in values, and this fact must not be overlooked when use is made of this figure.

Increases.—Meat-freezing, &c., £383,178 ; sawmilling, £226,819 ; tobacco-preparing, &c., £182,895 ; electricity generation and supply, £166,082 ; fellmongering and wool-scouring, £82,187 ; lime-crushing and cement-making, £62,213 ; printing and publishing, £53,705 ; grain-milling, £48,649 ; biscuit and confectionery, £36,682 ; woollen-milling, £36,104 ; small machines, appliances, &c., £34,722 ; brick, tile, and pottery, £29,436 ; brewing and malting, £23,581 ; concrete block or pipe and fibrous-plaster making, £22,099.

Decreases.—Butter, cheese, and condensed milk, £114,302 ; chemical manufacture, £59,814 ; ham and bacon curing, £50,161 ; ship and boat building, £7,793.

In the following tables the various classes of industries contributing to the factory production of the Dominion have been grouped according to general character :—

Table showing for the Years ended 31st March, 1932, 1933, and 1934, Figures relating to the various Industries classified into Four Groups as stated.

Year.	Persons engaged.	Salaries and Wages paid.	Cost of Materials used.	Value of Products.	Value added by Manufacture.	Land, Buildings, Plant, and Machinery.
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Group 1.

Group 1 includes meat-freezing ; ham and bacon curing ; butter, cheese, and condensed milk ; sausage-casings ; fellmongering and wool-scouring ; boiling-down and manure-making.

	Number.	£	£	£	£	£
1931-32..	11,203	2,633,567	24,376,639	31,029,564	6,652,925	9,059,313
1932-33..	11,684	2,634,260	24,440,749	32,094,798	5,625,440	9,158,560
1933-34..	13,285	2,603,547	28,179,195	34,127,214	5,948,019	8,908,253

Group 2.

Group 2 includes gas making and supply, electricity generation and supply.

	Number.	£	£	£	£	£
1931-32..	4,510	1,066,603	4,149,364	5,837,744	1,688,380	32,203,007
1932-33..	4,406	1,003,961	4,316,691	5,950,247	1,633,556	32,197,635
1933-34..	4,561	1,026,161	4,079,104	5,862,564	1,783,460	31,745,616

Group 3.

Group 3 includes fish curing and preserving ; log-sawmilling ; lime crushing and burning, &c. ; brick, tile, and pottery making ; concrete block or pipe and fibrous-plaster making ; pumice-insulation ; flax-milling.

	Number.	£	£	£	£	£
1931-32..	6,535	1,179,631	975,989	3,226,070	2,250,081	3,942,391
1932-33..	6,501	1,099,682	871,247	2,956,421	2,085,174	3,892,480
1933-34..	7,148	1,187,510	998,907	3,445,324	2,446,417	3,651,266

Group 4.

Group 4 includes all other industries.

	Number.	£	£	£	£	£
1931-32..	46,449	7,763,134	12,841,086	27,720,016	14,878,930	20,702,307
1932-33..	46,330	7,310,245	12,971,803	27,136,598	14,164,795	20,606,772
1933-34..	47,657	7,289,282	13,661,987	28,335,770	14,673,783	20,085,269

Table showing for the Years ended 31st March, 1932, 1933, and 1934, Figures relating to the various Industries classified into Four Groups as stated—continued.

Year.	Persons engaged.	Salaries and Wages paid.	Cost of Materials used.	Value of Products.	Value added by Manufacture.	Land, Buildings, Plant, and Machinery.
Percentage of each Group to Total.						
1931-32.						
1 ..	16·31	20·83	57·57	45·76	23·93	13·75
2 ..	6·57	8·44	9·80	8·61	6·95	48·86
3 ..	9·51	9·33	2·30	4·76	8·87	5·98
4 ..	67·61	61·40	30·33	40·87	60·25	31·41
Totals	100·00	100·00	100·00	100·00	100·00	100·00
1932-33.						
1 ..	16·96	21·86	57·37	47·10	29·97	13·91
2 ..	6·39	8·33	10·13	8·73	6·40	48·89
3 ..	9·43	9·13	2·05	4·34	8·16	5·91
4 ..	67·22	60·68	30·45	39·83	55·47	31·29
Totals	100·00	100·00	100·00	100·00	100·00	100·00
1933-34.						
1 ..	18·29	21·50	60·06	47·55	23·93	13·83
2 ..	6·28	8·48	8·69	8·17	7·18	49·30
3 ..	9·83	9·81	2·13	4·80	9·84	5·67
4 ..	65·60	60·21	29·12	39·48	59·05	31·20
Totals	100·00	100·00	100·00	100·00	100·00	100·00

DEVELOPMENT OF INDUSTRIES COMMITTEE.

By amendment of the Scientific and Industrial Research Act, 1926, statutory authority was provided for the constitution of two committees, one for the purpose of investigating matters relating particularly to research in agriculture and the other to investigate matters in regard to industry. This latter committee, of nine members, was commonly referred to as the "Development of Industries Committee." This Department was represented on the committee by the Secretary for Industries and Commerce.

The functions of the committee, which acted in an advisory capacity, were to advise the Government on the organization, conditions, prospects, difficulties, and needs of existing, new, or proposed industries; the assistance and control which might be exercised by the State for the benefit of any industry; to advise what steps those in control of industry might profitably and reasonably take for the better organization and development of industry; and any other matters which might be recommended in order to develop or assist New Zealand industries generally.

The first meeting of the committee was held on 12th February, 1932, and at intervals as circumstances warranted. Some of the matters dealt with are enumerated as under:—

Flax Industry.—Improved methods of cultivation and manufacture.

Manufacture of Benzol from Coal.

Passion-fruit.—Survey of local and overseas markets.

Kauri-gum.—Improved method of refining.

Sardine Canning.

Fishing Industry.—Formation of sub-committee, more particularly in regard to export trade with Australia

Rubber Tyre and Rubber Industry.—Proposal to manufacture in New Zealand.

Manufacture of Wool-tops in New Zealand.—Practicability of erecting factory.

Steel Industry.—Proposal to erect large-scale steel-works in New Zealand. Also a number of other matters associated with the primary and secondary industries of New Zealand.

On the 8th February, 1935, the above committee, which was composed of representatives of the manufacturing and commercial interests in addition to officers of the Departments of Industries and Commerce and Scientific and Industrial Research, was dissolved, and a new committee composed of departmental officers only was constituted, with the Hon. the Minister of Industries and Commerce as Chairman. The committee is now composed of the Secretaries of the Departments of Industries and Commerce and Scientific and Industrial Research, a representative of the Unemployment Board, and the Hon. R. Masters as Chairman.

The committee held its first meeting on the 11th February, 1935, and at the end of July ten meetings had been held. The chief function of the committee is to investigate proposals which have for their objective the development of new industries and the extension of existing ones, and to consider means whereby assistance could be granted to those industries that operate economically and provide avenues of work either directly or indirectly for New Zealand people.

The committee works in close co-operation with the Unemployment Board and acts as an inquiry committee on all proposals for financial assistance for industrial development received by the Board. It also acts in close co-operation with the Executive Commission of Agriculture in matters which come before it relating to the agricultural industries.

Portions of the committee's work will be dealt with by sub-committees set up to deal with specific industries, and in this connection three sub-committees have been appointed. One is the Fisheries Sub-committee, which is composed of representatives of the industry, the Chief Inspector of Fisheries, and an officer of the Department of Industries and Commerce. This sub-committee recently held its first meeting, and has made some important and far-reaching recommendations to the Development of Industries Committee. Further extensive inquiries regarding equipment, organization, and present trading methods employed in the fishing industry are being made by the Department for the committee's assistance. A Citrus Fruits Sub-committee has also been appointed to explore all possible avenues of placing this industry in a better position both as regards production and marketing. Another sub-committee is one dealing with the flax industry. The attention of this sub-committee will be directed mainly to selection of greater fibre-producing varieties, the present methods of decortication, and an examination of improved mechanical and other methods of treating the green leaf. The sub-committee is also dealing with several applications for financial assistance from persons and firms experimenting in improved methods of flax treatment.

The committee will also encourage the formation of research associations in any industry that expresses a wish to have such an association to deal with special problems arising in that particular industry. Some of the matters dealt with and on which recommendations have been made regarding financial assistance are as under :—

- Manufacture of basic slag.
- Wool-packs made from *Phormium tenax*.
- Canning of eels ; eel products.
- Manufacture of mercury.
- Guaranteed price to growers on trial shipment of tobacco-leaf to United Kingdom.
- Manufacture of electric petrol-pumps.
- Kauri-gum refining.
- Establishment of packing and grading shed for citrus fruits.
- Benzol from coal.
- Manufacture of synthetic enamels.
- Proposal to establish a rubber-tyre factory in New Zealand.
- Canning of asparagus and fruit.
- A number of applications dealing with improved methods of treating New Zealand *Phormium*.
- Fish reduction plant, &c.

TIMBER.

The production of the main varieties of timber in the Dominion for the past ten years (ending-31st March) is given in the following table :—

Year ended 31st March,	Total.	Kauri.	Rimu.	White-pine.	Matai.	Totara.	Others.
	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.
1925 ..	344,094,874	22,891,535	195,572,705	65,572,439	23,947,707	18,509,551	17,600,937
1926 ..	353,224,196	22,765,877	195,451,758	75,634,869	26,141,027	14,109,576	19,121,089
1927 ..	305,675,258	18,474,981	170,498,282	65,490,059	19,380,469	14,179,462	17,652,005
1928 ..	269,783,000	15,874,000	156,314,000	53,736,000	15,207,000	15,728,000	17,924,000
1929 ..	270,214,420	10,742,967	156,239,992	56,790,306	15,752,744	8,610,639	22,077,772
1930 ..	282,405,173	10,471,297	163,293,288	58,505,364	17,972,243	9,046,159	23,116,822
1931 ..	229,468,022	8,943,480	124,998,825	49,009,109	13,917,187	9,467,697	23,131,724
1932 ..	154,192,510	6,891,352	71,082,074	43,161,299	7,474,867	5,344,100	20,238,818
1933 ..	166,269,410	5,410,390	76,192,513	47,997,700	8,160,873	6,346,942	22,160,992
1934 ..	197,654,900	4,945,843	96,125,000	47,949,396	10,759,556	7,197,389	30,677,716

Included in the table above under other species not specified are *Pinus insignis* and beech. The production of these species for the past five years is as under :—

				<i>Pinus Insignis.</i> Sup. ft.	Beech. Sup. ft.
1930 ..	..	..	..	.. 10,381,585	10,225,255
1931 ..	..	..	..	.. 12,739,925	7,680,913
1932 ..	..	..	..	.. 13,404,700	5,756,868
1933 ..	..	..	..	.. 14,676,010	5,781,441
1934 ..	..	..	..	.. 21,494,382	6,972,717

EXPORTS.

For the twelve months ended the 31st December, 1934, there was an increase in exports of timber of 8,700,875 superficial feet and of £83,024 in value in comparison with the figures for the previous year. The relative figures for the two periods are shown in the table which follows :—

	1933.		1934.	
	Sup. ft.	Value.	Sup. ft.	Value.
White-pine	19,532,960	£(N.Z.) 181,031	22,791,352	£(N.Z.) 213,287
Rimu	3,641,873	24,560	7,150,514	51,472
Beech	1,375,374	12,707	2,410,208	25,409
Kauri	410,875	10,658	679,240	18,486
<i>Pinus insignis</i>	691,763	7,115	712,205	5,618
Other kinds	176,559	1,432	786,760	6,255
Total	25,829,404	237,503	34,530,279	320,527

IMPORTS.

The following table shows, in thousands of superficial feet, the quantities of imported timber that directly compete with New Zealand native timbers :—

	1930.	1931.	1932.	1933.	1934.
	(1,000 ft.)	(1,000 ft.)	(1,000 ft.)	(1,000 ft.)	(1,000 ft.)
Cedar	637	52	7	2	18
Oregon	12,807	2,950	1,081	1,354	3,128
Hemlock	6,142	662	..	..	..
Redwood	9,345	1,028	291	461	751
Butter-box shooks ..	4,691	2,879	1,473	1,815	848
Cheese-crate shooks ..	1,774	732	175	5	..
Total	35,396	8,303	3,027	3,637	4,745

THE FISHING INDUSTRY.

The New Zealand fishing industry is accountable at the present time for the employment of 3,147 fishermen. To this number must be added all persons engaged in the distribution side of the industry. The value of the catch of salt-water fish for twelve months ended 31st March, 1934, was conservatively estimated at £333,000. With a right perspective of the possibilities of this industry, there is no reason why by the adoption of improved marketing facilities, particularly in regard to refrigeration methods and preparation for the market, the figure should not extend to the half-million mark within the next few years.

Extensive inquiries have been made into the possibility of extending the present fish-export trade to Australia, and the Department is convinced that the exporting section of the industry has not fully appreciated the potential market Australia offers for New Zealand fish, which is generally acknowledged as being of a finer flavour than the fish procurable from Australian waters. At its first meeting the Development of Industries Committee focused its attention on the fishing industry as offering considerable scope for development by increasing very materially the sale of fish on the local market and extending the value of the present export trade.

As a result of these deliberations a Fisheries Sub-committee, as previously mentioned under the section dealing with the Development of Industries Committee, was set up. At the outset this sub-committee considered that it was desirable to make a survey of the present position of the marketing of fish before formulating proposals designed to place the industry generally on a better basis.

The information sought by the sub-committee in the first instance is briefly set out as follows :—

- (1) Source of supplies, cool-storage accommodation available, methods of refrigeration, charges for storage, &c.
- (2) Local Market: Supply varieties, price spread between amount paid to fishermen and retail price paid by consumer.
- (3) Export Trade: Australia—present methods of marketing consignment or straight-out purchase, freight rates, refrigeration space available on vessels, frequency of shipping services, &c.
- (4) Compiling list of names and addresses of all exporters with a view to calling conferences in each centre to bring about co-operation and elimination of unnecessary and uneconomic price-cutting.

The officers of the Department of Industries and Commerce, to whom this work was entrusted, proceeded with their investigation, and will submit a report at an early date. The sub-committee will then be called together to consider the information that has been secured and submit suggestions to the Development of Industries Committee for improving the conditions which now obtain.

In addition to the collection of the above-mentioned information the Department of Scientific and Industrial Research is making inquiries into refrigerating processes, &c., and much valuable data will be available on this important aspect of the trade.

In regard to the sale of New Zealand fish in Australia, the Department has received many disturbing reports of unnecessary and uneconomic price-cutting on the part of exporters who are supplying that market. While there is no desire to interfere in any manner with the industry, it is nevertheless disturbing to know that the non-co-operative method which appears to characterize the present position is reflecting itself adversely on prices being offered to New Zealand fishermen. It is hoped that the efforts of the committee in bringing about greater co-ordination and co-operation will be successful in obtaining more satisfactory remuneration for fishermen and payable prices for exporters.

The Government has been of material assistance to the industry by obtaining concessions from the Commonwealth Government in the duty-free entry of all New Zealand fresh or smoked fish into Australia. Freedom from primage duty and sales tax has also been conceded. The results of these material benefits are reflected in the substantial increase in the exports of frozen fish to Australia, the figures for the past three years being as under: 1932, £35,804; 1933, £45,400; 1934, £93,422; 1935 (six months), £50,034. The 1934 figures increased by over 100 per cent.

The total exports of fish to all countries for the past three years are shown as follows: 1932, £37,794; 1933, £52,254; 1934, £100,956.

UTILIZATION OF THE EEL.

It has always been known that the fresh-water eel is available in our lakes and rivers in considerable quantities, and numerous attempts have been made by various interests to turn this fish to economic use. A few years ago this Department, in co-operation with the Marine Department and the Department of Scientific and Industrial Research, went into the matter of finding how the eel could be caught, prepared, frozen, and placed on the European market. Experiments extending over two years were carried out, and it was demonstrated that the eel could be successfully placed on the London market in prime condition, and 6d. per pound was offered for eels in this condition. Previous attempts by various parties operating at numerous places from Auckland to the Bluff had met with failure.

The trade has never been seriously catered for, as the syndicate with which the Department was co-operating did not think that 6d. per pound provided them a sufficient return on their outlay.

Following these efforts a concern, Dominion Canning Co., Ltd., of Greytown, started a cannery and put canned eels on the local market and exported considerable quantities to the United Kingdom. The commodity has not taken on, although the product has been considerably improved since the company started operations. There seems to be a prejudice against the use of eels as a food, although modern scientific research has demonstrated that the eel contains vitamins of the greatest value, which should recommend its universal use as an article of diet.

The eel has always been esteemed in Europe from ancient times as a food fish, and it is known that the Maori relied on it for food purposes to a very large extent up to very recent times.

The Dominion Canning Co., Ltd., is now kippering or smoking the eel previous to canning, and it is thought that this method of preparation will make the canned article more attractive.

EEL LEATHER.

Mr. J. H. Nightingall, of Wellington, a well-known consulting leather chemist and research engineer in the tanning industry, has devoted some time to the matter of utilizing eel-skins for the production of fine leathers, and has been successful in producing leather which it is anticipated will be keenly sought for in the fine-leather trade. The utilization of the eel for economic purposes is now approaching a practical solution.

EGG-EXPORT INDUSTRY.

Since the passing of the Poultry-runs Registration Act of 1933 the poultry industry has been in a position to organize itself upon a better basis. In all matters relating to the marketing of eggs overseas the Department has kept in close contact with the Poultry Board, and has from time to time passed on relative market intelligence information received from various sources, chiefly from the High Commissioner and the New Zealand Trade Commissioner in Canada. Although it has in the past been difficult to arrange for adequate freight accommodation at the appropriate time, it is hoped that no great inconvenience will be caused in this connection during the coming season.

Exports to the United Kingdom over the past five years have shown a steady advance:—

						Dozen.	£
1930	..	..	..	..	..	24,240	1,344
1931	..	..	..	..	..	111,480	5,646
1932	..	..	..	..	..	160,212	7,574
1933	..	..	..	..	..	325,975	15,784
1934	..	..	..	..	..	381,870	18,166

During the coming season, when it is expected that all shipments will arrive in the United Kingdom during the December quarter, it is anticipated that at least 15,000 crates (of 30 dozen each) will be despatched—i.e., 450,000 dozen.

Last season arrangements were well in hand for the export of a limited quantity to Canada, where our eggs have duty-free entry during December, January, and February in each year, but price considerations finally resulted in the shipment being cancelled at the last moment.

There is a probability that in the near future the United Kingdom market may be tested with several consignments of dressed poultry.

TOBACCO INDUSTRY.

Steady progress continues to be made in the growing of tobacco-leaf in the Dominion, close attention being given to the production of varieties that have a better value for manufacturing purposes.

Owing to unfavourable climatic conditions the acreage this season laid down to tobacco has been less than in the previous season, but the quality of the leaf was good. A number of settlers have been placed on holdings at Pongakawa, in the Bay of Plenty district, where the soil and climatic conditions appear to be very favourable for the growing of tobacco, and this crop is being produced in considerable quantities. This tobacco is being used by one or two tobacco-manufacturing firms in Auckland.

The quality of tobacco previously grown in the Auckland District has not been so good as that grown in Nelson Province, but it is hoped that by close attention to the experimental growing of new strains under better cultural conditions and close supervision of the curing methods a better-class tobacco will be produced in Auckland.

The following are the statistics of tobacco-production in the Dominion:—

Year.						Number of Acres.	Yield. Pounds.
1930-31	..	..	..	..	..	932	722,329
1931-32	..	..	..	..	..	1,726	1,318,624
1932-33	..	..	..	..	..	2,126	1,784,676
1933-34	..	..	..	..	..	2,500	2,000,000
1934-35	..	..	..	..	..	1,800	1,440,000

PASSION-FRUIT INDUSTRY.

The headquarters of this industry are at Kerikeri, and the export trade in passion-fruit juice in bulk is almost entirely in the hands of a company, Messrs. Pashon Products, Ltd. This concern experienced difficulties last season owing to certain troubles in connection with bacterial infection, but an investigation made by a consulting chemist determined the cause of the infection, and means were taken to effect a remedy. Owing to bad weather experienced in the Kerikeri district, the season proved to be decidedly unfavourable for the production of passion-fruit of the highest quality, and the fruit received at the factory was in consequence below the usual standard of excellence. As a matter of fact, it required 45 lb. of passion-fruit to produce one gallon of juice, compared with 40 lb. of fruit in the previous season. The quantity of fruit received was 146,000 lb., and the quantity of juice exported (to date) is 2,812 gallons.

All juice exported this season was packed in glass containers, as this method has been found to be the only one giving satisfactory results on out-turn.

TUNG-OIL INDUSTRY.

The planting of land in tung-oil trees in the North Auckland district continued during the year, and it is estimated at the end of the year the plantings extended to 3,500 acres.

It is understood that one or two companies are winding up for various reasons, such as difficulty in obtaining finance and failure of trees due to lack of adequate shelter and unfavourable soil conditions.

Very few of the plantations have been established more than three years, and the great majority of the trees do not exceed three years of age. As the tung tree does not reach the age at which commercial crops can be looked for until its fifth year, some considerable time must still elapse before it can be definitely proved whether or not the plantations will bear commercial crops.

The following is a list of the tung-oil plantation companies in the Dominion:—

- N.Z. Tung Oil Corporations, Ltd., plantation at Kaikohe.
- Tung Oil Plantations (N.Z.), Ltd., plantation at Kaihu.
- Northern Tung Oil, Ltd., plantation at Kaingaroa.
- Parenga (N.Z.) Tung Oil, Ltd., plantation at Parengarenga.
- Natural Products (N.Z.), Ltd., plantation at Mangawai.
- Tung Oil Debenture Trust, Ltd., plantation at Warkworth.
- Tung Oil Securities (N.Z.), Ltd., plantation at Matauri Bay.
- Australasian Plantations, Ltd., plantation at Karikari Peninsula.
- Empire Tung Oil Products, Ltd., plantation at Bay of Islands.

THE CITRUS INDUSTRY.

Subsequent to the close of the financial year the matter of permitting the importation of oranges from Australia was considered by the Government, and it was decided to adhere to the same conditions as during the 1934-35 season—namely, to permit the entry of restricted quantities only from the State of South Australia. The first shipment left Melbourne by the s.s. "Waitaki" on 26th June. It was also decided to allow the importation of oranges from Norfolk Island without restriction as to quantity.

NEW ZEALAND LEMONS.

During the last seven or eight years comparatively large areas of land in the Kerikeri district of the Bay of Islands have been laid down in citrus fruit, principally lemons. Many men from overseas have been attracted to Kerikeri by its genial climate and fertile soil, but the incidence of the world's depression soon after they had taken up their holdings there has made it very difficult for them to make good. Their orchards are now, however, coming into bearing, and a steadily increasing revenue from these orchards is now in sight. A number of settlers have formed a Co-operative Association and have approached the Government for financial assistance in establishing a packing plant in the district for the purpose of grading and curing the lemon crop, which is now beginning to come forward in bulk quantities, and for the purpose of organizing the marketing of the fruit on sound business lines.

At the end of the financial year this matter was still under consideration, the Department being engaged in an investigation to ascertain the resources of the district in the way of lemons and oranges now bearing and coming into bearing.

NEW ZEALAND GRAPEFRUIT.

A commercial survey of the New Zealand grapefruit industry was made during the past year, and the inquiry brought to light the fact that in this little-known fruit we have an asset of very substantial value to the community. This tree is certainly the hardiest of all citrus varieties in the Dominion, and has been successfully established over a considerable portion of the North Island, including the Bay of Plenty district, and as far south as Gisborne and Hastings, and is more resistant to frost than any of the lemons or sweet oranges. The Department of Scientific and Industrial Research has in hand the investigation of the merits of the type of grapefruit at present produced, and it is hoped to obtain information that will lead to its taking an important place in the dietary of the people.

ANGORA-RABBIT WOOL.

The production of Angora-rabbit wool in the Dominion is stationary, and the industry is suffering from the effects of a limited demand in the United Kingdom, together with a weakness in prices. Owing to the precarious nature of the market, the Bank of New Zealand ceased making advances on wool consigned to English mills, and the failure of this support has made it even more difficult for those engaged in the industry to carry on.

This comparatively new industry is of value in providing, under suitable conditions, partial employment to people engaged on small holdings.

GAS REGULATIONS.

The Board of Trade (Gas) Regulations, which are administered by the Department, provide safeguards in respect to calorific value, purity, pressure, measurement, and price. Nineteen gas undertakings in the Dominion come within the scope of the regulations.

The work of the Gas Examiners and Inspectors of Meters has been carried out efficiently during the year, and official relations with the gas companies and municipal undertakings have, without exception, continued to remain most satisfactory.

COMMERCIAL TRUSTS ACT, 1910.

Briefly it may be said that the Commercial Trusts Act prohibits the giving of concessions, &c., in consideration of exclusive dealing, prohibits refusals to deal if such refusals arise for certain reasons, prohibits sales at unreasonably high prices where such prices have been fixed or influenced in any way by a commercial trust, and provides in general terms against monopolies which are of such a nature as to be contrary to public interest.

A number of complaints have been made to the Department from time to time that the provisions of the Act were being infringed, and in each case these have been followed by full investigation by the Department into the nature and circumstances of the alleged breaches. These complaints have related principally to alleged refusals to supply certain commodities, and to the fixation of prices of commodities covered by the Schedule to the Act.

In recent years a good deal of price-cutting has taken place in connection with the sale of some of the classes of commodities covered by the Act, and there have been many requests for the repeal or amendment of the Act in order to provide a greater measure of freedom to traders in regard to fixing the price of the commodities in which they are dealing. By the Finance Act (No. 2), 1933, Parliament removed tobacco, cigars, and cigarettes from the operations of the Act.

The Act is still necessary as a safeguard to the public and to business men against harmful commercial practices, its importance lying in its restraining influence rather than in its actual direct enforcement through the Courts of law.

A further amendment to the Act was brought down last session. This followed the line of stating that it would be a sufficient defence for a person charged with an offence under section 3 (relating to the granting of illegal concessions in consideration of exclusive dealing) and section 4 (relating to illegal refusals to deal) if he could prove—

- (a) That his act was not prejudicial to any industry carried on in New Zealand ;
- (b) That his act was not prejudicial to public welfare ; and
- (c) That his act was not unfair or of a nature that it would, if commonly practised or repeated, be unfair to other interests.

The amending Bill was not passed.

CHATELS TRANSFER ACT, 1924.

Section 57 of the Chattels Transfer Act, 1924, provides for the protection of bailors of such chattels as are referred to in the Seventh Schedule to the Act without the necessity for registration of the agreements concerned, and, furthermore, it is provided in the Act that Orders in Council may be issued to extend the Seventh Schedule by the addition of further classes of chattels recognized as being the subject of "customary hire-purchase agreements." The Department has charge of the administration of this section of the Act, and whenever applications are received for the extension of the Schedule to include further classes of chattels thorough investigations are made by the district officers in each of the four centres of the Dominion as to the customary trade practices adopted in the disposal of these chattels and as to the desirability or otherwise of adding the names of such articles to the Schedule.

During the past year applications were received in respect of electric food-coolers and electric incubators. The evidence obtained in respect of these two applications as to the methods of disposal of these classes of chattels was not considered sufficient to warrant their addition to the Schedule.

TRADING-COUPONS.

Several instances of alleged breaches of the Trading-coupons Act, 1931, were reported to the Department during the year. All these schemes were carefully examined, but the operations involved did not provide for the redemption of trading-coupons contrary to the provisions of the Act.

In two cases theatre tickets were issued in connection with the sale of certain goods, and, while the Department held the view that the redemption of these tickets would justify action being taken to test the legality of the schemes, it was considered advisable in view of the small number of tickets issued to request the interests concerned to abandon the system.

An offence under the Act as at present constituted is committed when a trading-coupon is redeemed otherwise than for cash. As the New Zealand statute can only be effective in respect of coupons redeemed within the Dominion, cognizance may have to be taken of the issue (in connection with the sale of goods in New Zealand) of trading-coupons redeemed overseas. The practice is generally limited at the present time to the sale of certain imported goods, except that in one case it applies to the sale of a locally-made product. In view of this method to circumvent the provisions of the Act, it may become necessary for an amendment to be made to the present statute.

MOTION-PICTURE INDUSTRY.

The report of the special Committee set up to investigate certain aspects of the industry, a summary of which appeared in the Department's report of last year, was followed by legislative action, and the Cinematograph Films Amendment Act, 1934, was placed on the statute-book.

The Act provides, *inter alia*, for—

- (1) A list of films to be supplied by renters to the Hon. the Minister of Internal Affairs of all films which are intended for release during the film-renting season :
- (2) Provision is made for a statutory rejection right up to 25 per cent. of total quota of films booked :
- (3) That exhibitors must exercise the rejection right provided above within twenty-one days after receipt by the exhibitor of notice that film is available for exhibition :
- (4) A standard form of film-hiring contract to be approved by the Hon. the Minister of Internal Affairs :
- (5) The withholding of available film by renters from exhibitors is made an offence :
- (6) Subsection 2 of section 12 makes it an offence for an exhibitor to hire films in excess of the number reasonably required in his business.

The Board of Trade Cinematograph Film Regulations gazetted in 1932 were declared by the Appeal Court to be *ultra vires* as repugnant to the Cinematograph Films Act, 1928. This latter difficulty has now been removed by section 13 of the amending Act of 1934, which reads—

- "(1) Nothing in the principal Act shall be construed to restrict the powers conferred on the Governor-General in Council by section twenty-six of the Board of Trade Act, 1919, and regulations may accordingly be made under that section in relation to the renting or exhibition of films in New Zealand."

With this additional authority the Board of Trade Cinematograph Films Regulations of 1932 were re-enacted and gazetted on 4th April, 1935.

In administering the regulations the Department obtains all necessary details regarding existing licenses and the proposals of applicants for new licenses in those towns or districts in respect of which new applications have been received. Before any application for a license is finally dealt with, the information so obtained is placed before a Stipendiary Magistrate, as an independent party, for consideration and recommendation as to whether or not the application should be acceded to.

COMPANY-PROMOTION COMMISSION.

The Department in its last annual report referred to the appointment of a Royal Commission to inquire into certain aspects and tendencies of company promotions and operations.

The appointment of the Commission was made on 17th January, 1934. An interim report was submitted to His Excellency the Governor-General on 9th June, 1934, dealing exclusively with the constitution and policy of certain trust companies in New Zealand. A perusal of this report will clearly demonstrate the urgent need for and justification of the Department's representations for the appointment of the Commission.

The presentation of this report to the House of Representatives was accompanied by the Companies (Special Investigations) Act authorizing the appointment by the Governor-General of inspectors to investigate the affairs of the companies appearing in the Schedule of the Act.

This Act was introduced and passed at one sitting by both Houses. Similar legislative power was also provided at the same time by the Commonwealth Government and by the State Governments of Victoria, New South Wales, and South Australia, except where the existing legislation adequately provided for the particular contingency.

Owing to the financial interlocking between the various investment companies referred to in the interim report and associated companies in several of the States of the Commonwealth of Australia it became evident that no effective audit of the companies appearing in the Schedule of the Companies (Special Investigations) Act would be possible unless the recommendations of the Commission for special legislation authorizing the appointment of audit inspectors were carried out contemporaneously in the States of Australia where the associated companies were also operating.

The final report of the Commission was presented on 10th October, 1934. The report is marked by the painstaking and exhaustive nature of the investigations, which brought to light many of the questionable methods of the company-promoter, more particularly those associated with land-utilization schemes, and revealed the very uncertain value of the investments in many of these companies. The report has been published and is now available to any person who desires to examine the findings and recommendations in detail.

Attention is drawn to one of the statements in the Commission's final report in which it is contended that losses of approximately £8,000,000 have already been incurred by land-utilization companies.

As the result of the recommendations of the Commission, the following Acts were placed on the New Zealand statute-book :—

- Companies (Special Investigations), 1934.
- Companies (Temporary Receivership), 1934.
- Companies (Bondholders' Incorporation), 1934–35.
- Companies (Special Liquidations), 1934–35.

The Government has, by passing the Companies (Bondholders' Incorporation) Act, 1935, provided legislative means by which bondholders may assume the rights and privileges of shareholders in their particular companies. This should not, however, be construed to convey the impression that the nature of the investment has in any manner altered.

CANADIAN NATIONAL EXHIBITION.

The New Zealand Government participated in the Canadian National Exhibition, held from the 24th August to the 8th September, 1934. A comprehensive range of New Zealand products, combined with a quantity of publicity and advertising matter descriptive of New Zealand tourist resorts, was featured at the Exhibition. The exhibit created great public interest; and in both trade and tourist fields the publicity effort proved of undoubted value. The Government was awarded a gold medal "for the excellence of the display of New Zealand products."

The next exhibition is to commence during August, and again a wide range of exhibits have been forwarded from New Zealand for display at the New Zealand Government Court.

INDUSTRIAL AND COMMERCIAL BULLETINS.

During the past year the Department has continued the issue of bulletins containing information on industrial and commercial subjects. As is customary, these bulletins have been widely distributed to the press, Chambers of Commerce, Manufacturers' Associations, prominent business executives, overseas trade representatives, and other persons and firms to whom they are likely to be of interest and value.

The issues made during the period under review were as follows :—

- Bulletins Nos. 29, 30, 31, and 32 : Summary of the Finance, Trade, and Industries of New Zealand for the Quarters and Years ended 30th June, 1934, 30th September, 1934, 31st December, 1934, and 31st March, 1935, respectively.

MISCELLANEOUS ACTIVITIES.

As mentioned in previous reports, the activities of the Department are so diversified in their nature that it is impossible to make reference to them all, and, moreover, many of the commercial and industrial investigations carried out are essentially of a confidential nature, and for this reason cannot be referred to in published reports.

As in previous years, the Department has been called upon to furnish general and detailed information relating to the Dominion's industries, trade, and commerce, and to the various phases of economic development.

The following list of some of the inquiries made by the Department during the year may provide an indication of the extensive variety of subjects with which the departmental officers are constantly required to deal :—

Inquiries concerning markets for potatoes, onions, apples, dried peas, seeds, shrubs, walnuts, tomato-juice, Soya beans, Samoan cocoa-beans, fish, fish-meal, crayfish-tails, oysters, oyster-shells, mutton-bird oil, dairy products, ghee, eggs, wines, beeswax, frozen and canned meats, frozen rabbits, canned preserves, sausage-casings, blood and bone manures, neatsfoot oil, tallow, opossum-skins, hides and sheep-skins, leather, live-stock, kauri-gum, Oamaru stone, china clay, pumice, wool for carpet-making, hosiery yarn, timber, tennis-racquets, boot and floor polishes, lysol, Angora-rabbit wool, &c.

Investigations have been made into the prices of various commodities sold in the Dominion, including honey, bread, coal, motor-spirit, tobacco, fish, South Australian oranges, binder twine, cement, field-tiles and drain-pipes, superphosphate, agricultural implements and their spare parts, motor-car number plates, &c.

CONCLUSION.

It is again desired to place on record the Department's appreciation of the co-operation and assistance given by the various Trade Commissioners, Consuls and Vice-Consuls of overseas countries resident in New Zealand, particularly His Majesty's Trade Commissioner and the Canadian Government Trade Commissioner. Acknowledgment must also be made of the assistance afforded by other Government Departments, notably Customs, Scientific and Industrial Research, and Agriculture.

In conclusion, it is pleasing to note that economic conditions generally within the Dominion reveal just cause for optimism for the future well-being of our country. The sound and satisfactory position of our banking and external-trade figures, as disclosed in the foregoing pages, is indicative of a sustained recovery from the period of depression, and, with other factors, is forming a solid foundation upon which our economic prosperity is being rebuilt.

While prices of several of our principal exportable products appear to be becoming more stable at slightly higher levels, a further advance in export values for dairy-produce during the coming season would be of inestimable value to the producers and to the country as a whole.

World conditions in international trade and finance are still dominated by protective and restrictive measures, and there is some difficulty in gauging the extent of any economic recovery which has taken place. Hampered by these restrictions, the volume of world trade has shown no rapid expansion, and any easement that has been discernible in foreign-trade barriers has often been of a temporary nature, except only where encouragement has been given per medium of trade agreements and other commercial arrangements. Naturally, under these arrangements the tendency is for a considerable volume of trade to flow in comparatively narrow channels, and it is sincerely to be hoped that the internal recovery being experienced in many countries will soon be followed by a widening of these channels and by a marked revival in international trade generally.

The United Kingdom, upon which we are so dependent as the principal market for our produce, has made a remarkable recovery during the past year in many phases of her industrial and economic life, and it may reasonably be expected that an increasing measure of prosperity there will be reflected in an improvement in conditions in this Dominion.

It may be said that New Zealand can look forward confidently to a progressive advance along the road which leads to individual and collective prosperity.

APPENDIX.

MANUFACTURING INDUSTRIES.

Fruit-preserving and Jam-making.

Official statistics, year ended 31st March—	1932.	1933.	1934.
Establishments (number)	11	11	9
Employers (number)	441	388	347
Wages paid	£59,074	£55,312	£48,830
Value of output	£305,808	£277,866	£257,263
Value added by manufacture	£121,228	£111,807	£123,437
Imports, calendar years—			
Jams and preserves (including preserved ginger)	£(N.Z.) 8,305	£(N.Z.) 8,011	£(N.Z.) 13,341
Fruits, bottled and preserved in syrup—			
Apricots	12,248	7,285	13,995
Peaches	23,741	15,367	17,871
Pears	573	227	585
Fruit pulp n.e.i.	1,931	4,628	6,224
Total	46,798	35,518	52,016

One South Island factory reports a general increase in output of approximately 10 per cent., with a slight increase in number of employees. The dry season in the North was responsible for smaller quantity of pears being packed.

The tomato crop declined approximately 20 per cent., and, while sales of canned tomato soup and sauces were smaller, the improved quality gave better net results. Sales of jams and sauces generally were well maintained; candied peel showed a slight increase. Northern factories report generally slight increase in staff, and prospects for current year are considered fairly good.

A new unit in the industry has been established in the Hawke's Bay District under the title of the J. Wattie Canneries, Limited. Supplies of fruit for canning and pulping are drawn from orchardists in the district, and this factor is thereby materially assisting the fruit industry in that district.

Lime and Cement.

Official statistics, year ended 31st March—	1932.	1933.	1934.
Establishments (number)	43	45	45
Employees (number)	794	688	631
Wages paid	£164,665	£134,842	£130,675
Value of output	£601,849	£483,840	£556,425
Value added by manufacture	£474,821	£381,912	£444,125
Imports, calendar years:—			
Cement, building (cwt.)	4,968	3,981	9,370
Value	£2,494	£2,330	£4,975

The report of the Department last year indicated that a revival in the building trade would be reflected in the production figures of lime and cement for 1934. The value of output has increased by £72,585, but the number of employees declined by fifty-seven and wages paid by £4,167. Present conditions in the building industry indicate that the figures for the current year will show increases over the 1934 figures. The imports of cement show substantial increases, notwithstanding the present exchange rate of 25 per cent. This is offset, of course, by the reduction in the British preferential rate of duty from 20s. to 13s. 4d. per ton, which has operated since 1933.

Engineering.

Official statistics, year ended 31st March—	1932.	1933.	1934.
Establishments (number)	198	188	181
Employees (number)	2,691	2,329	2,383
Wages paid	£513,554	£414,409	£398,721
Value of output	£1,161,974	£974,490	£1,054,643
Value added by manufacture	£748,246	£623,079	£652,638

Reports from various centres indicate improvement in general engineering work. A better type of business is now offering, a substantial proportion of which is the repair and replacement of plant which is now being brought into commission after being idle for some years.

One company reports a new departure in manufacture of steel architraves and mouldings and chromium-plated steel furniture. The manufacture of lawn-mowers reports a substantial increase in number of all types sold compared with last year.

Sauce, Pickle, and Vinegar Making.

Official statistics, year ended 31st March—	1932.	1933.	1934.
Establishments (number)	20	20	19
Employees (number)	224	210	237
Wages paid	£39,386	£38,086	£40,940
Value of output	£187,334	£177,861	£176,561
Value added by manufacture	£112,255	£103,104	£102,667
Imports, calendar years :—			
Pickles (gallons)	405	728	1,010
Value	£324	£622	£669
Sauce and chutney (gallons)	5,964	6,040	8,102
Value	£6,979	£7,833	£10,466
Vinegar (gallons)	20,411	20,379	18,676
Value	£5,924	£6,868	£6,136

The present conditions in this industry show no marked variation from the position shown by the above figures.

Soap and Candle Making.

Official statistics, year ended 31st March—	1932.	1933.	1934.
Establishments (number)	21	23	24
Employees (number)	422	470	468
Wages paid	£86,611	£86,570	£85,207
Value of output	£444,270	£467,393	£468,988
Value added by manufacture	£259,120	£251,257	£258,324

Conditions during the current year have not shown any material variation from the 1934 figures. Local competition for business in bar soap continues to be a feature of this trade. Sales of candles are steadily diminishing, due to increasing availability of electric light.

Coach and Motor-body Building and Cycle-works.

Official statistics, year ended 31st March—	1932.	1933.	1934.
Establishments (number)	1,049	1,042	1,204
Employees (number)	5,090	4,560	4,491
Wages paid	£895,782	£731,296	£693,082
Value of output	£2,016,683	£1,895,253	£1,963,497
Value added by manufacture	£1,298,870	£1,101,961	£1,117,235

Southern factories report a gradual improvement during the year. In one factory an improvement in sales of 14 per cent. is reported. During the year Todd Motors, Ltd., opened a factory at Petone for the assembling of motor-cars. The number of workers engaged total between 200 and 250. The improvement in this industry can be gauged by the material increase of 175 workers in one of the larger units of the industry—from 365 in July, 1934, to 540 in July, 1935.

Biscuits and Confectionery Making.

Official statistics, year ended 31st March—	1932.	1933.	1934.
Establishments (number)	57	58	57
Employees (number)	2,523	2,512	2,738
Wages paid	£315,664	£313,210	£312,012
Value of output	£1,327,013	£1,246,733	£1,379,760
Value added by manufacture	£718,561	£654,443	691,125

Southern factories report an increase in staffs and turnovers. In one case the increase of employees was stated as 9 per cent. During the year the old established company of Phoenix Confectionery Co., Ltd., effected an amalgamation with the British confectionery-manufacturers, Caley and Mackintosh, under the name of Mackintosh, Caley, Phoenix, Ltd. Auckland companies report increases in turnovers, with a greater demand for higher-grade products. The prospects of the industry for the ensuing year are distinctly favourable.

Furniture and Cabinet Making.

Official statistics, year ended 31st March—	1932.	1933.	1934.
Establishments (number)	308	299	281
Employees (number)	1,779	1,584	1,576
Wages paid	£285,649	£236,860	£233,300
Value of output	£726,795	£611,019	£616,365
Value added by manufacture	£417,727	£348,980	£347,121

The improved position of the building industry is reflected in an increased demand for furniture. In southern centres improvement in sales is recorded in percentage figures from 10 per cent. to 20 per cent. In northern centres considerable improvement is shown, and a demand for higher and better grade quality is a feature of the trade.

Ham and Bacon Factories.

Official statistics, year ended 31st March—	1932.	1933.	1934.
Establishments (number)	39	40	39
Employees (number)	384	398	427
Wages paid	£87,088	£87,675	£91,000
Value of output	£761,121	£702,442	£755,716
Value added by manufacture	£266,798	£275,572	£225,411
Cost of materials used	£494,323	£426,870	£530,305

The employment position of the industry for 1934 is the most favourable for the past four years. The value added by manufacture, which is a reliable indication of the net trading result, declined by £50,161, due to the cost of materials used, which increased by £103,435. An increase in turnover is reported by Auckland factories, but managers of these factories point out that the increased price of pigs combined with keen competition will result in small margins of profit being obtained during the current year.

Bricks, Pipes, Tiles, and Pottery Making.

Official statistics, year ended 31st March—	1932.	1933.	1934.
Establishments (number)	50	44	43
Employees (number)	563	405	467
Wages paid .. * ..	£102,694	£74,167	£82,664
Value of output	£253,356	£180,785	£212,263
Value added by manufacture	£233,969	£168,548	£197,984

The improvement in the building trade has created a most optimistic tone. While the 1934 figures show an improvement under each heading compared with 1933, the figures are considerably under the figures for 1931. For comparison purposes the relative figures are set out hereunder:—

	1931.	1934.
Employees	946	467
Wages paid	£213,895	£82,664
Value of output	£564,489	£212,263
“ Added ” value	£537,775	£197,984

Flax-milling.

Official statistics, year ended 31st March—	1932.	1933.	1934.
Establishments (number)	17	20	23
Employees (number)	135	213	258
Wages paid	£13,198	£27,349	£35,456
Value of output	£33,878	£54,658	£74,291
Value added by manufacture	£24,399	£38,591	£58,383

Rope and Twine Making.

Official statistics, year ended 31st March—	1932.	1933.	1934.
Establishments (number)	6	5	6
Employees (number)	205	214	228
Wages paid	£35,304	£34,684	£34,828
Value of output	£121,732	£144,502	£130,903
Value added by manufacture	£64,831	£72,654	£69,362

The flax industry continues to show a slight progressive improvement during the past four years. The figures for 1934 show a relative substantial improvement over the 1933 period, but when compared with statistics of a few years earlier the position is far from satisfactory.

Exports of hemp and tow in each of the past eight calendar years were as follows:—

Calendar Year.	Tons.	£
1927	19,600	535,526
1928	15,683	394,450
1929	14,720	379,942
1930	9,493	221,923
1931	2,398	38,407
1932	3,850	47,312
1933	4,402	47,632
1934	4,173	52,018

The reports of rope and twine manufacturers for the current year are distinctly favourable, but competition from imported manilla binder twine is having a disturbing effect on the market.

The manufacture of wool-packs from *Phormium tenax* is now passing the experimental stages, and, while the packs of 1934 did not receive favourable reception from the wool interests at Bradford, it appears quite certain that no objection will be taken to the general use of packs of the quality of the sample packs of 1935 recently displayed to the British Wool Buyers' Association. Further improvements are now being made to the pack which will remove all possible doubt of their suitability as wool-containers.

Clothing.

Official statistics, year ended 31st March—	1932.	1933.	1934.
Establishments (number)	244	254	249
Employees (number)	7,155	7,616	7,877
Wages paid	£784,668	£807,206	£831,871
Value of output	£2,153,467	£2,400,599	£2,631,182
Value added by manufacture	£1,109,276	£1,188,153	£1,264,304
Imports, calendar years—			
Apparel and ready-made clothing (including fur clothing)	£926,152	£941,466	£1,030,584

Reports from Auckland manufacturers indicate better conditions than those of 1934. Most factories report a fair amount of overtime being worked.

The import value of apparel and ready-made clothing (imported in 1934) shows an increase of £89,118, while the increase in value from local mills, as shown above, was £230,583.

Agricultural and Dairy Machinery and Implement Making.

Official statistics, year ended 31st March—		1932.	1933.	1934.
Establishments (number)	.. ..	32	37	37
Employees (number)	.. ..	505	542	532
Wages paid	.. ..	£97,761	£97,094	£95,301
Value of output	.. ..	£280,751	£329,476	£338,049
Value added by manufacture	.. ..	£147,967	£171,475	£179,032

South Island factories reports for the current year show that sales of agricultural machinery have increased by substantial percentages.

The Auckland manufacturers of dairying machinery state that sales are slightly higher than the previous year.

Woollen-manufacturing.

Official statistics, year ended 31st March—		1932.	1933.	1934.
Establishments (number)	.. ..	10	10	12
Employees (number)	.. ..	2,216	2,349	2,466
Wages paid	.. ..	£300,399	£316,352	£326,156
Value of output	.. ..	£802,105	£888,546	£976,813
Value added by manufacture	.. ..	£541,044	£564,936	£601,140

South Island mills report a general increase in sales, but competition has kept profits at approximately the same level. One mill reports a substantial increase in the number of persons employed.

The following table shows the imports of materials which compete with the products of New Zealand woollen-mills:—

Piece-goods.		1932.	1933.	1934.
		£(N.Z.)	£(N.Z.)	£(N.Z.)
Artificial and pure silk	.. ..	740,430	725,078	875,714
Woollen	.. ..	467,340	535,923	654,861
Cotton and linen	.. ..	1,369,344	1,467,144	1,471,741
Totals	.. ..	2,577,114	2,728,145	3,002,316

A comparison of this table with woollen-mills production statistics shows that factory production increased by £88,267, but imported woollen piece-goods outdistanced this figure by a recorded increase of £118,938. Artificial and pure silk imports increased in same period by £150,636.

Printing and Publishing.

Official statistics, year ended 31st March—		1932.	1933.	1934.
Establishments (number)	.. ..	355	362	366
Employees (number)	.. ..	7,610	7,453	7,744
Wages paid	.. ..	£1,573,670	£1,447,735	£1,444,132
Value of output	.. ..	£3,772,323	£3,473,987	£3,525,188
Value added by manufacture	.. ..	£2,791,803	£2,540,824	£2,594,529

The industry generally shows signs of improvement, although competition from price-cutting is preventing a relative increase in profits.

Brush and Broom Making.

Official statistics, year ended 31st March—		1932.	1933.	1934.
Establishments (number)	.. ..	15	13	15
Employees (number)	.. ..	209	219	240
Wages paid	.. ..	£31,291	£33,987	£34,968
Value of output	.. ..	£102,219	£97,470	£102,474
Value added by manufacture	.. ..	£57,168	£54,981	£56,052
Imports, calendar years—				
Brushes, brushware, and brooms	.. ..	£27,884	£32,341	£38,981

The South Island manufacturers report an increase in the value of sales up to 15 per cent., and also in the number of employees. The statistics above show that the value of output increased by £5,004, and imports by £6,640.

Approximate Cost of Paper.—Preparation, not given; printing (1,210 copies), £39.

By Authority: G. H. LONEY, Government Printer, Wellington.—1935.

Price 9d.]