

Close consideration has been given by the Committee to the better and more economic distribution of fish within the Dominion in order that this article of diet may become more readily available to all inland centres. Bound up with the question of distribution is that of retail prices, and it is expected that if the relative marketing recommendations are implemented, then it may be possible to bring about simultaneously some reduction in wholesale and retail prices.

Other matters dealt with and concerning the marketing side of the industry are the organization of wholesale markets (and their reduction in numbers in some centres), the overlapping in supply, the activities of the retail distributors, the abolition of the auction system, loss by wastage, prices paid to the fishermen, wholesale and retail prices, the price spread between the return to the fishermen and the retail price, and the crayfish and the dredge and rock oyster branches of the industry.

Mention should also be made of the fact that the Auckland Fish Export Committee (comprising trade and Governmental representatives), which was set up in September, 1937, by the Hon. the Minister upon the recommendations of the Committee, is operating efficiently and carrying out the duties with which it was charged in regard to the co-ordination of export activities from Auckland and Thames.

WOOLPACKS.

During the past year the Government has maintained its interest in the activities of the company at Foxton engaged in the manufacture of woolpacks from New Zealand hemp, *Phormium tenax*, and has in a practical manner afforded assistance to the company to enable it to continue in operation. It is considered a matter of national interest that the Foxton company should continue to operate. Employment is found for upwards of two hundred workers at the factory, and consequential labour is provided in flax areas and flaxmills of approximately one hundred men. The overproduced and depressed state of the world market for hard fibre has made it increasingly difficult for New Zealand flax-millers to continue operations, and this factor alone emphasizes the importance of the existence in New Zealand of a textile industry using native fibre. The present works afford scope for extension of its operations to supply not only a greater quantity of the Dominion's woolpack requirements, but also to manufacture bags, sacks, matting, &c. With such a field, the usage of at least 10,000 tons of fibre per annum is not improbable.

Reference was made in the last annual report to provision which has been made for the purchase of certain additional machinery designed to enable manufacturing operations to be carried on with greater efficiency. It was confidently anticipated that this new plant would be in operation in July of last year, but delays due to abnormal activity in the heavy industries in Great Britain protracted delivery and it is only now that the benefit of the installation is being reaped. The new plant has resulted in the modernizing of the preparing and spinning departments by the installation of machinery of the latest design of high speed and efficiency, and it is evident from this installation that a better and more even yarn can be produced with greater ease and more efficiency. The general improvement in the quality of the finished product has been observed in all sections of the trade and very favourable reports in this regard have been received from time to time, while in some quarters an expression of preference for the New Zealand flax pack has been made.

The Government has again sought the co-operation of stock and station agents and freezing companies in regard to the distribution of woolpacks during the 1938 season, and as a result of negotiations the following scheme has been formulated:—

- (a) Importation of woolpacks into New Zealand is prohibited except under license.
- (b) All importers of jute packs are required to purchase flax woolpacks in the proportion of one flax pack for each two jute packs imported.
- (c) Prices of both imported jute packs and New Zealand flax packs are fixed by Order in Council under the pooling arrangement with stock and station agents.

The Department wishes to place on record its appreciation of the co-operation and assistance received from all sections of the trade, which has made possible the smooth running and success of the scheme outlined above.

TIMBER.

During the year timber-prices throughout the Dominion have received the close attention of the Government. The Timber-price Committee, which consists of representatives of this Department and the Forestry Department, has had occasion to examine several requests from millers, boxmakers, and merchants for adjustment in price due to changes in industrial awards. Various associations have undertaken not to increase prices until the Government Timber-price Committee has had an opportunity of thoroughly examining their representations. An intensive investigation is conducted into each case that is presented, and in all the applications that have been received, after consultation with the association concerned, an amended price-list has been finally submitted which has been found to be reasonable.

The question of supplies of white-pine requires special reference by reason of the utilization of this timber for the manufacture of containers for the export of our dairy-produce. Practically the whole of the white-pine requirements have had to be drawn from the South Island. In order to ensure that cheese-crates and butter-boxes are made available to the dairying industry at as reasonable a price as possible, the price of white-pine has been the subject of the closest examination.

The Government has for the coming dairying season standardized the type of container to be used for export purposes at $\frac{3}{4}$ in. This has been done as, in the considered opinion of the Government, such a container would prove best in the interests of the marketing of our produce overseas and will