

EXPANSION OF LOCAL INDUSTRY.

That this expansion is of moment may be gauged from the fact that no less than 120 new lines are being produced in the Dominion, and these cover such items as rubber shoes, storage batteries, electrical appliances and transformers, waxed-paper containers, cosmetics, carpets and body carpet, roofing-tiles, plastics, motor-vehicles silencers, enamel and lacquers, toys, gas and electric ranges, and many others.

Not only have these new industries been set up, but existing units have been encouraged to expand their plant and production to an extent not previously envisaged.

Remunerative employment has been made available to some thousands of additional operatives, and, provided these industries are maintained, public morale is increased.

The Department of Industries and Commerce, through its close association and contact with industry, has been enabled through the Industries Committee to ensure to manufacturers a steady stream of raw materials for industry. Admittedly there have been some delays occasioned in the main through causes over which the Dominion has no control—lack of shipping space and difficulty in obtaining deliveries of the raw materials required from overseas manufacturers.

While the Customs Department is charged with the administration of the regulations, the Department of Industries and Commerce exercises an advisory function in making recommendations covering the requirements of industry, and it is in this field that the Department has been enabled to assist manufacturers in obtaining their necessary supplies.

EXPORT TRADE.

The Department, again with its overseas officers, has endeavoured to expand the markets for our exportable surplus of products. With the taking over by the British Government of our total wool clip, and with the desire of the Government to be in a position to meet any calls which the British Government might make for supplies of dairy-produce, meat, hides, and skins, there has not been the possibility of expanding this trade to the maximum extent, but every endeavour is being made to meet inquiries and demands made by other Empire sources and foreign markets. In particular, attention is being given to the possibility of making available to the armed Forces in India and Burma certain of our products desired by the respective Governments of India and Burma.

In all it may be said that the fullest use is being made of the Department in carrying out its duties in such a manner as can best serve New Zealand and the Empire in bringing the war to a successful issue.

TRADING WITH THE ENEMY.

Prior to the crisis of 1938 a special Committee representative of the Departments of Industries and Commerce, Customs, Justice, Navy, Marine, Treasury, and Public Trust, with an officer of the Organization for National Security as Secretary, was set up to frame regulations providing for control of trading with the enemy and custody of enemy property should war break out.

This Committee framed suitable regulations which on the outbreak of war with Germany in September last were put into immediate effect and became law on the 4th September, 1939.

The Enemy Trading Emergency Regulations 1939 are administered by the Minister of Industries and Commerce, and prohibit trading with the enemy in any shape or form, except by special permission of the Minister. In addition, the regulations provide for the declaration of any person, firm, or company as an enemy trader, and upon such declaration it becomes unlawful for any one to carry on business transactions with such declared person, firm, or company.

Wide powers of investigation into the affairs of any person suspected of having enemy associations, or being under the control of enemies, are given to the Minister, who may delegate his authority to an officer of the Department of Industries and Commerce. Restriction of business may be enforced by the Minister where it is shown to his satisfaction that such business is being carried on wholly or partially by, or on behalf of, or under the control or management of, an enemy trader or an alien enemy.

Provision is also made for the prohibition of exports where the Minister of Customs has reason to suspect that the consignee of any goods shipped or about to be shipped is an enemy trader or a person engaged in any business undertaking or communication injurious to His Majesty.

Under these regulations investigations into the affairs of a number of companies have been carried out, but to date it has been found necessary to gazette only one concern operating in New Zealand as an enemy trader. Returns of foreign correspondents have been sought from a large number of commercial houses, while the closest contact has been maintained with the United Kingdom authorities (the Ministry of Economic Warfare), and lists of enemy traders or, as termed by the United Kingdom, "specified persons," have been published in the *Gazette* for general information. These lists give the names of those persons, firms, or companies in neutral countries with whom dealings are unlawful. Other activities of the Department in its administration of these regulations have included efforts to obtain delivery of goods laden on board enemy ships refuging in neutral ports and destined for New Zealand. The actual negotiations in this regard have now been undertaken by the Associated Chambers of Commerce of New Zealand, which body, in the persons of their president and secretary, has been authorized by the Minister to deal with and make payments to the German ship-owners. These dealings and payments would, but for the authorization mentioned above, be in contravention to the regulations. The closest contact is maintained with the Associated Chamber and with the London Chamber of Commerce, which has been entrusted with the work involved in obtaining the release.

Numerous applications for the import of goods of German origin from various sources, which except under license are prohibited, have been dealt with. The closest contact is maintained with other State Departments, and all information which might prove of value to the Ministry of Economic Warfare is forwarded to London.