

SESSION II.
1918.
NEW ZEALAND.

MUNITIONS AND SUPPLIES DEPARTMENT.

REPORT BY THE MINISTER IN CHARGE.

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

OUTLINE OF REPORT.

1. GENERAL CONDITIONS which have prevailed are first dealt with. Then the work of each branch is shortly illustrated.
 2. BUYING OPERATIONS: (a) Extent and variety; (b) storage accommodation; (c) high quality of goods maintained; (d) inspections of deliveries; (e) estimates for 1919; (f) canteens; (g) Defence Commission; (h) centralizing buying.
 3. COAL CONTROL: (a) Recognition of committees and their honorary work; (b) all activities kept going; (c) deliveries interrupted by gales of unusual violence; (d) prices question referred to Board of Trade; (e) policy for coming summer; (f) war outputs and importations; (g) this year's position so far; (h) coal stock census; (i) stimulation of New Zealand output.
 4. PETROL CONTROL: (a) Origin; (b) objects; (c) nature; (d) recognition of assistance.
 5. PRIORITY PERMITS: (a) Development; (b) volume dealt with; (c) results achieved.
 6. SHIPPING-SPACE INWARDS TO NEW ZEALAND: (a) Cause of shortage; (b) arrangements made to meet position; (c) tonnage capacity now available as compared with pre-war.
 7. CONCLUSION: (a) Recognition of honorary services; (b) recognition of staff; (c) end of the war in sight.
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REPORT.

GENERAL CONDITIONS.

1. During the fifteen months which have elapsed since my last report was submitted to Parliament the activities of my Department have extended in volume and variety, corresponding to the general conditions prevailing in New Zealand, as a result of the war. Two factors—firstly, difficulty in procuring imported articles, due to restricted manufacture abroad, and, secondly, reduced inward tonnage available—have had the effect of increasing the business offering for the Dominion's manufacturing industries. This opportunity has presented itself at a time when a scarcity of requisite materials and depleted skilled labour have placed manufacturers in a disadvantageous position to cope with an increased volume of business. However, experience has shown that those enterprises faced with these obstacles have not only satisfied extensive military orders, but have to a marked degree contributed to meeting the domestic needs of the Dominion. In this connection it may now be interesting to report that military stocks and present requirements are such as to justify a substantial reduction in contracts for stores and supplies. It is hoped that this will have the effect of enabling manufacturers concerned to devote increased attention to civilian orders. Broadly speaking, I express the hope that the finished articles produced by our manufacturers will by their quality command the permanent patronage of the New Zealand people. It can, I think, be safely stated that the bulk of the citizens in the Dominion are inclined to recognize the importance of firmly establishing and developing our manufacturing productiveness. It is to be hoped, therefore, that articles of satisfactory quality will continue to be marketed by enterprising concerns, and thus promote much to our national welfare.

2. The shortage of tonnage inwards to New Zealand has created a necessity for regulating the consumption of the two cardinal power-producing fuels—namely, coal and petrol—and has also had the effect of restricting imports from India, Australia, and the United States of America, where goods readily saleable in New Zealand could have been procured but for the lack of sufficient tonnage. The position as regards tonnage inwards from the United Kingdom to New Zealand has fluctuated considerably; sometimes it has been in excess of the goods available for shipment, and at other times short of accumulations. Then again, commercial enterprises in the United Kingdom have been on many occasions awkwardly situated owing to the necessity for a rigid compliance by shipowners with Admiralty instructions, which have frequently not lent themselves to encouraging a concentration of such goods as may have been ready for shipment to the Dominion. It will be borne in mind that the essential goods most needed in the Dominion are, in most cases, the most difficult to secure from the United Kingdom, on account of direct and indirect war necessities, and thus it is not difficult to appreciate the circumstances under which a ship may have been partially laden at a Home port with a cargo consisting of merchandise of a kind not the most needed in the Dominion. Under these conditions it will, I think, be conceded as more advantageous for a ship so situated to bring something