"(3.) I desire in particular to be advised on the following heads:-

- (a.) Whether the facilities now commonly used can be improved, and, if so, in what directions.
- "(b.) What steps must necessarily be taken to give effect to suggested improvements, and the cost involved.

"(c.) On whom the burden of the necessary expense should rest.

"(d.) The advantages and disadvantages of carrying into effect any suggestions which might be submitted for consideration.

"(4.) If you can accede to my wishes in this connection, will you kindly direct your officers to approach Mr. Adams, of my Department, from whom all my papers and particulars

in regard to this matter can be obtained.

Following this request, a comprehensive and valuable report on the subject was submitted by the Engineer-in-Chief of the Public Works Department, and as a result the desirability of making a commencement at Wellington was clearly demonstrated. This being so, those in authority arranged for a series of conferences between the Wellington City Engineer, Chief Engineer of the Railway Department, Engineer-in-Chief of the Public Works Department, and the Engineer to the Wellington Harbour Board to take place. The last communication I have received is a copy memorandum dated the 28th June last, submitted by the Engineer-in-Chief of the Public Works Department, addressed to his Minister, which reads,-

"Thorndon Reclamation and Coal-handling Facilities.

"Regarding the combined report of Messrs. Marchbanks, Morton, MacLean, and myself, desired by Hon. Minister of Munitions, upon the best means for the development of coalhandling plant in Wellington, I have to report that a meeting of the above-named gentlemen took place yesterday, when the questions referred were considered, and it was decided to answer both in the affirmative. The questions are as follows:—

" (1.) The advisability of proceeding with the greater reclamation scheme at Thorndon;

and

"(2.) The advisability of providing facilities for unloading and bunkering coal at Thorndon Reclamation.

"The bare statement in the affirmative is, however, of little value until the committee has fully explained the position; and this cannot be done until the Railway Department has completed the plan of what are considered to be the requirements with regard to the station-yard for Wellington, and, further, until that plan has been fully considered by the General Manager and definitely adopted as the plan for the yard. It is anticipated that it will take not less than one month for the Railway Department to consider this matter.'

On the return of the Engineer to the Wellington Harbour Board, who is now inspecting coal-handling facilities in America, it is trusted that this important matter will be further developed. I may mention in passing that the Auckland Harbour Board have also taken similar commendable action with a view to developing their port in this respect.

PETROL CONTROL

1. The National Efficiency Board having recommended the Government to assume control over the distribution of petrol-supplies, the proposal was submitted to my personal advisers, the Munitions and Supplies Board, who, in view of the question of prices being involved, suggested that the matter be controlled by me as Minister of Supplies, in accordance with such advice as might be tendered by the Board of Trade. The Board of Trade was therefore requested by their President to formulate a suitable scheme. After consultation with those interested and with my Department this was duly done, and embodied in the regulations published on the 12th July last.

The main objects of control are -firstly, to protect the consumer as to prices; secondly, in the event of shortage, to take timely action to provide for essential consumers' requirements in preference to those of non-essential users; thirdly, to assist importers as far as possible in the matter of securing

adequate supplies for the reasonable needs of the Dominion.

In the first case, the prices have been fixed and published for the information of all interested parties; in the second place, a satisfactory arrangement has been come to with the recognized importers and distributors whereby this provision is assured; thirdly, I am pleased to note from the confidential visible-supply statement placed before me at the beginning of each month that the position is somewhat better than prior to publication of the regulations, and I trust this will be maintained. However, in the event of a falling-off in prospective importations being revealed, the departmental system under which the business is conducted will enable me to take early action with a view to improving the prospects.

2. I desire to recognize the hearty co-operation of the Motor-garage Proprietors' Association of New Zealand, and others assisting my officers in matters connected with distribution, and to acknowledge the services of the Board of Trade, who have been ably supported by an honorary committee consisting of the following gentlemen: Messrs. A. G. Cate, G. W. Shirteliffe, J. T. Martin, P. J. Ryan, J. F. Cousins, and W. Preedy.

PRIORITY PERMITS.

1. The hardening of the world's markets under war conditions is reflected in the work which this branch of the Department is called upon to perform. In the early stages of the war it was necessary only to support certain particular orders on Great Britain. The need for supporting almost all orders