

raw material, metals, textiles, dyes, &c., and of the output of such things as small tools and machine tools, certain kinds of electrical apparatus, &c. Complementary to the scheme, regulations have been issued governing the conditions on which material and labour can be employed, and all orders, whether from home or oversea, and whether for actual war purposes or ordinary civil use, have had to be classified before suppliers could proceed with their manufacture. It is in this connection that the High Commissioner's help has been sought on behalf of New Zealand firms, and the Produce Branch has rendered great assistance in obtaining all kinds of materials and manufactures, over 300 separate cases being in hand or completed up to date.

3. The branch has also, under instructions of the High Commissioner, dealt with requests on behalf of New Zealand firms for assistance in obtaining from the War Trade Department licenses to enable shipments to be made to the Dominion. The list of prohibited exports under the Defence of the Realm Regulations is a long and complicated one, and it is constantly being altered and amended, so that the work has required close attention. Over 100 cases have been dealt with, and in the majority of instances the applications have been favourably considered, and the assistance rendered has been greatly appreciated both by the firms in the Dominion and their agents on this side.

4. Inquiries as to the *bona fides* of firms acting for or suspected of being connected with enemy undertakings have also been dealt with by the branch, and questions concerning the inclusion or otherwise of certain firms in the "black lists" of the Dominion and of the Mother-country have received attention.

5. The arrangements in connection with the Imperial Government's purchase of the output of New Zealand scheelite have been dealt with by the branch. A scheme has now been settled to the satisfaction both of the Ministry of Munitions and the Imperial Government Supply Branch in Wellington in regard to financing the shipments and making advances to mine-owners, while the methods of claiming repayments from the Imperial Government and of the final settlement of accounts have also been satisfactorily adjusted during the current year.

6. Numerous other matters arising through the emergency legislation of the Mother-country and New Zealand promulgated on account of the war have also been dealt with, involving a great deal of correspondence, the chief being—

Measures for controlling trade with neutral countries in Europe, United States of America, &c.—certificates of origin and interest, agreements with the Société Surveillance Suisse, &c.

The release of New Zealand cargoes in interned vessels, and claims for damage of cargoes on commandeered steamers.

Prohibition of importation regulations, as affecting trade between New Zealand and the Mother-country.

Shortage of tonnage for exportation of New Zealand hemp and general produce to the United Kingdom.

Rendering assistance in connection with the chartering of tonnage to bring home New Zealand wool during the 1916-17 season.

Sundry other matters have come within the scope of the work of the Produce Branch under war conditions, and no doubt some time will elapse after peace is declared before they can all be satisfactorily cleared up in order to permit the resumption of the normal work of the branch.

INDENTS AND SHIPPING BRANCH.

Up to June of 1916 the Indents and Shipping sections of the Office had been kept quite distinct, but with the view of closer co-ordination and to eliminate circumlocution it was then decided to create a separate branch combining the two sections. Owing to the short time which has elapsed since the department was constituted it is not possible to report more than briefly of its general working, but I have every confidence in saying that it has been uniformly successful in achieving the ends desired.

Dealing first with indents, these are received from practically all the Government Departments in the Dominion, and are consequently of a very varied nature. The most numerous are on account of Working Railways, Public Works, Defence, Post and Telegraph, and Printing and Stationery. Taking these Departments in the order given,—

Working Railways embrace permanent-way material, pig iron, Yorkshire iron, steel plates and sections, copper plates, steel axles, tires, boiler-tubes, castings, machinery of all descriptions, and general stores, such as cotton-waste, white-lead, turpentine, sponges, chamois leather, colza-oil, carriage-fittings—i.e., blinds, net cord, lighting plant, buttons, horsehair, &c. The Department's requirements in stationery, covering books, envelopes, ink, pens, penholders, paper-fasteners, pencils, rubber erasers and bands, &c., are also dealt with from here, together with a large proportion of the drawing-office requirements.

Public Works embrace permanent-way material, bridge material, and general stores and electrical material. A considerable portion of the Department's drawing-office requirements are obtained in London. In connection with bridge material, I may remark that this is usually for contracts let in the Dominion. The contractor proceeds to order through an agent here, who in turn has to submit proposed manufacturers for approval. Copies of orders as let have then to be obtained and inspection arranged. Notification of all material passed has to be advised to contractor's agent, and subsequently copies of documents for all shipments made obtained from him, checked and certified, and then transmitted to the Department. The importance of keeping in close touch with these matters may be emphasized by my saying that material cannot be utilized by the contractor until the Department is assured that it has been passed by the Inspectors prior to shipment. This requirement can only be fulfilled by forwarding the documents referred to above.