

1917.  
NEW ZEALAND.

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## MUNITIONS AND SUPPLIES DEPARTMENT.

MEMORANDUM IN CONTINUATION OF PARLIAMENTARY PAPER H.—24, DATED THE 16TH JUNE, 1916, RELATIVE TO THE BUSINESS NOW CONDUCTED THROUGH THE MUNITIONS AND SUPPLIES DEPARTMENT.

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

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Office of Minister in Charge of Munitions and Supplies,  
Wellington, 16th June, 1917.

### MUNITIONS.

As indicated in my report to Parliament dated the 16th June, 1916, above referred to, Cabinet decided against the manufacture of munitions of war in New Zealand; and this decision having been adhered to, it follows that my report on this occasion will be relative to matters connected with supplies within the Dominion.

### SUPPLIES.

The arrangement effected between my colleague the Hon. the Minister of Defence and myself in regard to buying-operations, referred to in my previous report, whereby the Minister of Defence specifies for military requirements, while I accept full responsibility for the business of buying, has been followed throughout the past year with satisfactory results. The work connected with buying-operations was at first conducted through the medium of the Military Supplies Purchase Office. However, the functions attaching to my portfolio have extended to such a variety of transactions that it was considered advisable to conduct activities under the title of "Munitions and Supplies Department." Accordingly, a Department under this head has been established. The three primary functions of the Department relate, firstly, to the purchase of goods required by the military authorities; secondly, to matters connected with coal-supplies; and, thirdly, to matters connected with priority permits issued in London by the Ministry of Munitions. I therefore propose to deal with these heads seriatim.

#### MILITARY SUPPLIES PURCHASE BRANCH.

1. The fact that substantial stocks in all important lines were accumulated during the year covered by my first report has largely contributed to facilitating the business of buying which has been done during the year now under review. Economies have also thereby been effected, and the high standard of quality specified for has been fully maintained throughout.

#### *Estimates of New Zealand Military Requirements for Calendar Year 1917.*

2. It having been found convenient from a buying point of view to estimate requirements per calendar year rather than over the period of a financial year, instructions were issued in August last requesting the military authorities to as far as possible estimate their requirements for the calendar year 1917. Accordingly, in the month of September following, I was advised that the estimates on being costed gave the following result:—

	£				
(a.) Stores .. .. .	..	..	..	..	727,510
(b.) Supplies .. .. .	..	..	..	..	568,918
(c.) Drugs .. .. .	..	..	..	..	17,460
(d.) Contingencies .. .. .	..	..	..	..	86,112
Total .. .. .	..	..	..	..	£1,400,000

The first action taken on this position being ascertained was to submit the matter to Cabinet, which resulted in the decision that I was authorized to make provision according to requirements for the full calendar year.

*Buying-operations.*

3. On this decision being given, my experts advised me to make immediate arrangements for the supply of khaki materials requisite for the uniform clothing, and also for supplies of all woollen goods required. Accordingly, tenders and samples were invited from the ten New Zealand woollen-mills, which resulted in improved qualities being submitted at satisfactory prices for the approval of the military authorities. The khaki materials having been duly arranged for, tenders were invited from clothing-manufacturers throughout the Dominion for the making-up of uniform clothing. A condition was inserted in the conditions of contract for these supplies prohibiting subletting except with my consent.

4. Tenders were subsequently invited and contracts let for (a) medical requirements, (b) hardware, (c) foodstuffs, (d) footwear, and (e) other miscellaneous articles. The position revealed by the results of the tenders received was, in the main, satisfactory; but I have to report that a fairly large volume of business was not tendered for at all. In other instances my experts advised me that supplies could be more economically purchased from time to time as required than by accepting the tenders preferred in respect of certain lines.

*Distribution of Business.*

5. It is interesting to note that out of the total of £1,400,000 which I was authorized by Cabinet to expend on supplies for the calendar year 1917, orders to the value of £668,346 have been placed to date; this expenditure represents over six million articles. It should be observed here, however, that tenders are called every four months for foodstuffs and forage for the Expeditionary Force training-camps, and consequently one-third only of this business has so far been placed. The value of the orders placed to date represents,—

(a.) Stores	..	..	..	..	..	£ 549,096
(b.) Supplies	..	..	..	..	..	116,666
(c.) Drugs	..	..	..	..	..	2,584
Total	..	..	..	..	..	<u>£668,346</u>

while the business has been spread throughout the Dominion as follows:—

(a.) Auckland	..	..	..	..	..	£ 113,225
(b.) Wellington	..	..	..	..	..	246,085
(c.) Dunedin	..	..	..	..	..	117,608
(d.) Christchurch	..	..	..	..	..	191,428
Total	..	..	..	..	..	<u>£668,346</u>

In regard to Wellington, I find many houses here act in a representative capacity, in this respect: that the business secured by them in most cases results in supplies—*e.g.*, butter, chaff, vegetables, and many other lines—being obtained from far afield; so while these figures give one a good idea as to the distribution of orders placed, they do not give a correct perspective of the distribution of the money involved. In view of the fact that I am often called upon to purchase in the open market to meet the necessities of military operations, I have caused my experts to keep in touch with and to visit various centres, in order to take full advantage of stocks on offer there.

*Departmental Register of Suppliers.*

6. I would draw the attention of the mercantile community to the fact that the Register of Suppliers now compiled by my Department is very complete. I think it will be appreciated that much valuable time is often saved by the Department always having available a full list of suppliers for various commodities likely to be required. Apart from the saving of time in inviting quotations, economy is effected by direct communication with interested parties. The register is always open to business men desirous of having the names of their firms registered thereon, and application forms can be secured on request.

*Announcing Results of Tenders and Quotations.*

7. During the currency of the business under review I have frequently been requested to give information to unsuccessful tenderers; and in this connection I have to report that my advisers, at my request, went fully into this matter, with the result that I decided—(a) To give the price only, quoted by successful tenderers, to any unsuccessful tenderer for the same supply; (b) not to disclose the price quoted by an unsuccessful tenderer; (c) not to disclose the name of any successful tenderer without his consent.

The reason for acting as indicated in (a) above is to satisfy unsuccessful tenderers that their quotations were not the lowest. It has apparently been the practice of Government Departments for some years past to give this information, although it is not the practice of mercantile houses to do so.

The reason for (b) above—namely, not giving the prices quoted by unsuccessful tenderers—is that such information would possibly reveal to successful tenderers opportunities for quoting higher prices the next time they were invited to tender for similar supplies.

The reason for (c) is that direct importers who for business and patriotic reasons desire to quote for military supplies hesitate to do so in competition with their wholesale customers, and consequently in such cases heavy loss can be sustained by the Government unless the most economical purchase is made by the Department. Then, again, a successful tenderer is oftentimes in a better position to conduct his buying-operations if his rivals in trade are not aware of the fact that he is a successful tenderer for military supplies. This protection to tenderers has had the effect of encouraging business houses to tender more freely, and has been much appreciated by contractors.

In cases where quotations are made on samples submitted or direct purchases effected by the Department, the office system inaugurated enables me to at any time look into particular cases with a view to justifying the action taken before orders are confirmed by me.

*Personal Equipment for Infantry.*

8. The position in regard to the variety and nature of this supply has not altered since my last report. The following table, however, will no doubt be of interest:—

Article.	Number of Each issued per Man.	Cost of Issue per Man.		
		1915.	1916.	1917.
<i>Personal Equipment.</i>				
Tunics .. .. .	2	£ 1 18 6	£ 2 9 9	£ 2 14 4
Trousers .. .. .	2	1 3 4	1 7 5½	1 13 6
Putties .. .. .	1	0 4 0	0 5 4½	0 6 5
Greatcoat .. .. .	1	1 16 0	2 2 5½	2 8 0
Hat and puggaree .. .. .	1	0 6 2	0 5 6½	0 9 8½
Cap .. .. .	1	0 4 2	0 4 3	..
Kit-bag .. .. .	1	0 3 3	0 3 3¼	0 4 0½
Blankets .. .. .	3	1 4 0	1 6 0	2 5 0
Braces .. .. .	1	0 1 3	0 1 0½	0 1 1½
Boots .. .. .	2	1 16 10	1 18 0	1 19 0
Drawers .. .. .	2	0 8 6	0 10 0	0 12 0
Shirts, working .. .. .	2	0 12 6	0 14 0	0 16 0
Shirts, under .. .. .	2	0 8 6	0 9 10	0 12 0
Shoes .. .. .	1	0 6 9	0 6 6	0 10 5
Suits, denim .. .. .	1	0 8 6	0 8 8	0 8 9
Socks .. .. .	3	0 3 0	0 4 0¾	0 4 4½
Cholera-belts .. .. .	1	0 1 2	0 2 1	0 2 3
Holdall .. .. .	1	0 0 4½	0 0 5½	0 0 3
Sea-kit .. .. .	1	0 0 4	0 0 2¾	0 0 6½
Jersey .. .. .	1	0 5 6	0 5 6	0 7 0
Housewife .. .. .	1	0 0 10	0 0 6	0 1 0
Knife, fork, and spoon .. .. .	1	0 1 6	0 1 6	0 1 6½
Plate and mug .. .. .	1	0 0 4½	0 0 4½	0 0 5½
Towels .. .. .	2	0 1 6	0 1 5	0 2 2
Sheet, waterproof .. .. .	1	0 8 9	0 8 5	0 9 6
		12 5 7*	13 16 8½*	16 9 4½*
<i>Accoutrements.</i>				
Identity-discs .. .. .	..	0 0 1	0 0 1	0 0 1
Rifle .. .. .	..	3 4 3	5 10 0	5 13 6
Slings, rifle, web .. .. .	..	..	..	0 1 0
Bayonet .. .. .	..	0 8 3	0 12 0	1 0 0
Scabbard .. .. .	..	0 2 5	0 6 10	0 0 6
Pull-through .. .. .	..	0 0 4	0 0 5	0 0 6
Oil-bottle .. .. .	..	0 0 3¾	0 0 10	0 0 6
Protector, F.S. .. .. .	..	..	..	0 0 6
Web equipment, pattern 1908 .. .. .	..	1 6 5	1 11 9	1 12 6
Water-bottle .. .. .	..	0 2 7	0 2 10	0 2 10
Implements, entrenching, heads .. .. .	..	0 1 2	0 1 4	0 1 9
Implements, entrenching, helms .. .. .	..	0 0 4¼	0 0 6	0 3 9
Mess-tins, complete .. .. .	..	0 3 10	0 3 4½	..
		5 10 0	8 9 11½	8 16 11

\* The percentage of increases are—1916, 12·67 per cent. over 1915; 1917, 19 per cent. over 1916 and 34 per cent. over 1915 prices. Having regard to the general upward tendency of all prices, improved quality, larger sizes in some articles, and the increased difficulties met by manufacturers in obtaining and retaining suitable assistance, I regard the increases as reasonable and satisfactory in view of further advances which have taken place since our contracts were let.

*General Comment on Personal Equipment.*

9. It will be remembered by those interested that the heavy orders for military goods placed with the New Zealand woollen-mills for delivery during the calendar year 1916 prevented the mills satisfying a large volume of their private trade, with the result that warehouse stocks in certain lines became depleted. In view of this, and of the fact that the storage accommodation at the disposal of the Defence Department was somewhat overtaxed, I arranged for deliveries of bulk goods under the 1917 contracts to commence during April last, thus giving the mills an opportunity to fulfil some of their private-trade orders in the early part of this year, and at the same time affording the Director of Equipment and Ordnance Stores temporary relief from the extensive task connected with receiving and examining woollen goods and uniform clothing.

For the year 1917 an improved quality of khaki-uniform cloth has been secured. A better-quality material for pantaloon-cloth for mounted men has been manufactured in the Dominion, and a decided improvement in the cut of the pantaloons has been effected; the latter being the result of an observation made in Egypt by one of our New Zealand officers, which was duly referred to my experts (Messrs. Kirkcaldie and Morrison). Overcoating-cloth has similarly been improved, and is now subjected to a proofing process which, while not rendering the overcoats waterproof, assists in turning the water. The putties now being secured are all woven ones, and are much more popular amongst both the officers and the men than the cloth putties issued under necessity during the year 1916. An effort has been made to adopt some standard colour for all uniform cloths and overcoatings, but, owing to the difficulties of the dye trade, the woollen-mills, while they have been successful in approaching the standard shade required, have not in all instances been able to get as near to the standard as could have been wished; but it will be observed that better results in this respect have been secured than during last year.

The size and weight of blankets have been revised for the 1917 supply. They now measure 64 in. by 94 in., and weigh 11 lb. per pair, this being the Imperial standard of weight.

Denim suits: In view of anticipated increases in raw cotton, it was deemed advisable early in October, 1916, to cover requirements for the year 1917. Contracts were accordingly placed with two of the largest British manufacturers for 300,000 yards of material, with spread deliveries throughout this year. The price paid for this material was 10½d. per yard, and the wisdom of placing orders so far ahead is shown by the fact that to-day's price is in the neighbourhood of 2s. per yard. Similarly, requirements for braces, material for kit-bags, towels, flannelettes for pull-throughs, and forfars for kitchen towels have all been indented at favourable prices.

*Storage Accommodation.*

10. The heavy deliveries of supplies necessary to maintain New Zealand commitments in men induces me to record the fact that the storage accommodation available for the Director of Equipment and Ordnance Stores at Buckle Street, Wellington, and at the camps, is insufficient for the heavy stocks he is now called upon to control. This is clearly illustrated by the fact that on the 6th ultimo delivery had been taken of some 1,011 cases or bales, valued at £100,370, the contents of which had not then been examined. This blockage has caused me to sanction an arrangement with the Department's contractors whereby reliable suppliers are given a progress-payment on delivery, and the balance held over subject to final adjustment upon examination of the goods.

*Centralization of Buying-activities.*

11. The results of the Department's activities since its inception, and during the last year in particular, reveal to me the advantages which follow the centralization of buying-operations under the control of one responsible Minister. It is satisfactory to note that such a system enables estimates to be made as far as possible of likely requirements, thus giving time to make the best use of expert advice in looking ahead into the position of the markets affected before purchasing. Again, the grouping-together of small orders from a variety of sources frequently results in one substantial quantity being purchased, with a corresponding reduction in price. Economy is further effected in so far as unnecessary competition is avoided when buying-operations are conducted from one centre, instead of several branches each buying for themselves the same sort of goods in the same market. It is further demonstrated to me that a wide field is open in the Government service to the practical application of the principle now generally followed by large manufacturing houses—namely, standardizing equipment, instead of sanctioning the employment of a variety of articles all different in themselves but utilized for similar purposes.

*Satisfactory System in Operation.*

12. In this connection it is also of interest to record that on the 7th ultimo I addressed a memorandum to the Controller and Auditor-General as follows:—

“*Re Silsby case:* I shall be obliged if you will kindly inform me whether it would be possible, under the system which I have inaugurated in respect of military supplies, for a case of misappropriation, such as the Silsby case exemplifies, to be conducted as was done in that instance.”

To which, on the 10th idem, the Controller and Auditor-General replied,—

“In reply to the reference of the Hon. the Minister (7681 of the 7th instant), I have to state that I am of opinion that it is hardly likely that the “Silsby” method could be

successfully operated with regard to military supplies. To do so would require that the career of a payment voucher should be controlled by one and the same person from start to finish, and further involve that the approving or other responsible officer would fail to check the contract, and as a consequence pass items in favour of non-existent contractors for imaginary supplies. There is also the Audit check of claims, which in the case of military supplies are pre-audited and would not be passed for payment without reference to the Contract Register, as copies of all orders issued by the Military Supplies Board are sent to this office for record at the time of issue."

*Foodstuffs for Training-camps.*

13. The following table indicates the cost per man per day for food in the two important training-camps, and illustrates a slightly upward tendency, which I am satisfied is reasonable when regard is had to the increased prices now generally ruling and to the superior quality of the supplies purchased:—

1916.	Featherston Camp.		Trentham Camp.	
	s.	d.	s.	d.
January..	1	6-006	1	5-5
February	1	6-023	1	5-5
March ..	1	7-739	1	7-5
April ..	1	7-732	1	7-5
May ..	1	7-871	1	8
June ..	1	7-952	1	5-75
July ..	1	8-259	1	6-5
August ..	1	8-259	1	6-75
September	1	7-577	1	7
October ..	1	7-535	1	5-8
November	1	8-354	1	7-25
December	1	8-867	1	9
1917.				
January..	1	7-642	1	6-5
February	1	7-592	1	7-375
March ..	1	7-733	1	7-25
April ..	1	7-981	1	8
May ..	1	8-244	1	8-25

COAL-TRADE BRANCH.

*Falling-off of Importations.*

1. Owing to the difficulty in securing sufficient tonnage to keep the New Zealand coal-import trade at normal, the attention of the Government was, towards the close of last year, directed to the then immediate possibility of hard steam-coal supplies running short of demands for Imperial and national purposes. The following figures show the proportion of imported coal—all of which is hard steam-coal:—

Calendar Year.					New Zealand Output.	Imported.	Total.
					Tons.	Tons.	Tons.
1912	..	..	..	..	2,177,615	364,359	2,541,974
1913	..	..	..	..	1,888,005	468,940	2,356,945
1914	..	..	..	..	2,275,614	518,070	2,793,684
1915	..	..	..	..	2,208,624	353,471	2,562,095
1916	..	..	..	..	2,341,000	293,956	2,634,956

*Reserve of Admiralty Hard Steam-coal.*

2. On this being fully considered it was decided to endeavour to secure outside tonnage to assist the Railway Department, and to request the Admiralty to endeavour to place some of their supplies at the disposal of the New Zealand Government. As a result of this some 34,415 tons of hard steam-coal was imported early this year. This supply has been treated in the nature of a reserve, and has been placed at the disposal of the coal-consumers at an approximate price of £2 10s. per ton, with the right to return Newcastle or New Zealand West Coast coal, say, within two months. It is satisfactory to be able to record the fact that this reserve stock of coal has been of material benefit, directly or indirectly, to many essential industries and undertakings, including the Railway Department, Wellington Gas Company, Colonial Sugar-refining Company, Northern Steamship Company, Shaw, Savill, and Albion Company, Defence Department, Lyttelton Harbour Board, New Zealand Shipping Company, New Zealand and African Steamship Company, and the Union Steamship Company.

*Necessity for Coal-trade Control.*

3. (a.) The shortage of tonnage for overseas cargoes still exists, and, although arrangements have been made with the Union Steamship Company with a view to preventing further reductions in imports of coal by them, it is considered wise not to rely on any increased importations being within measurable distance.

(b.) The results of the "go-slow" movement, and of the strike which took place in April last, are clearly shown in the following table:—

Month.	New Zealand Output, Important Mines.		Importations.		Totals.	
	1916.	1917.	1916.	1917.	1916.	1917.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
January .. ..	146,658	144,053	40,334	14,722	186,992	158,775
February .. ..	155,962	133,471	19,702	29,958*	175,664	163,429
March .. ..	174,851	152,950	24,335	90,682*	199,186	243,632
April .. ..	159,684	84,668	10,506	7,804	170,190	92,472
May .. ..	194,323	179,002	26,491	56,491	220,814	235,493
Totals .. ..	831,478	694,144	121,368	199,657	952,846	893,801

\* Includes Admiralty steam-coal and other special cargoes.

(c.) The result of the coal stock-taking conducted throughout the Dominion by the Government Statistician showed that at the 30th April last there was 183,286 tons held in New Zealand by coal-consumers holding 5 tons and upwards. Taking the average coal-consumption for the Dominion at, say, 200,000 tons per month, it is clear that if it were practical to pool the stocks then held they would without replenishment maintain a continuity of business for less than one month.

*Coal-trade Committees.*

4. In view of the three factors referred to in paragraph 3 above, the Government recently determined to request the New Zealand coal-mine proprietors to endeavour to increase their outputs so that greater reliance might be placed by Dominion coal-consumers on the New-Zealand-produced article. At the present time the question of establishing local coal-trade committees for each centre is under consideration. The functions of these local committees, if established, will be to see that such coal-supplies as might be available for delivery within their several districts are used to the best advantage from a national point of view. To enable this to be carried out efficiently, the local coal-trade committees will each be provided with paid secretaries to act in an executive capacity for them and as representatives of my Department.

*Responsibilities of Local Coal-trade Committees.*

5. These local coal-trade committees, if established, will be primarily requested firstly to define the limits of their several districts, and secondly to draw up for approval a schedule of consumers, setting out the order of preference which might be followed should coal-supplies fall short of demands, or, in the event of a surplus, to determine who might be given an opportunity to create reserves. Subsequently the committees will firstly be requested to estimate the coal-requirements of their districts—say, monthly—and to report as to the coal in sight to meet those requirements; secondly, the committees will be requested to deal—subject always, however, to my approval should I deem fit to interpose—with all matters connected with the local allocation or distribution of coal on defined principles—that is to say, without reference to me, unless in doubt or in case of a dispute.

A regulation having been gazetted causing all deliveries of coal within the several districts to be sanctioned by the respective committee for each district, it follows that adequate control over the coal-supplies available for delivery will be obtained by the Government. It is anticipated that the control which it is proposed should be secured by enlisting the patriotic services of gentlemen skilled in the complicated coal business, and who are familiar with local conditions, will give satisfaction to all parties interested.

## PRIORITY PERMIT BRANCH.

*Granting Permits to manufacture Goods in the United Kingdom.*

1. Since the Ministry of Munitions in the United Kingdom assumed control over certain supplies of materials in the United Kingdom it has been the practice of the Ministry to issue permits to manufacturers authorizing the employment of machines and (or) materials to be applied to approved objects. As a protection to New Zealand interests, and with regard to the increasing exactitude of war conditions, it was deemed prudent during last winter to inaugurate a system which would enable us to supply the High Commissioner for New Zealand in London with full information in regard to orders which it was desirable in the national interests should be executed and shipped to the Dominion

*Tentative System set up for New Zealand.*

2. After an exchange of correspondence with the High Commissioner during the year 1916 we were able to come to an arrangement in regard to supplying particulars which was satisfactory to the Ministry of Munitions and, judging from the beneficial activities of the High Commissioner in London, a very useful one to our New Zealand importers when regard is had to the war conditions which prevail.

*Definite System for New Zealand inaugurated.*

3. Early in the present year the Ministry of Munitions considered it desirable that its officials should have before them, when considering an application for a permit, some reliable opinion on the order from the local point of view of the dominion or dependency from which such order originated. Consequently the New Zealand Government, with other Governments within the British Empire, was requested to set up a local authority which would sift, survey, and comment from the local point of view on orders before they were despatched to the United Kingdom. At the same time the Ministry announced the intention of not giving consideration to any application for a permit unless the order in respect of which such application was made had been commented on from the local point of view as above indicated.

*Position To-day.*

4. Thus to-day the position is that if our importers desire to secure from the United Kingdom any goods of a nature controlled or likely to be needed by the Ministry of Munitions, it is advisable for them to make their orders out on the special forms provided by the Department, and to have my opinion in regard to such orders duly minuted thereon for the information of the Ministry of Munitions in London. The necessary comment will then be available on the order should it be found necessary for the Ministry in London to be approached in regard to a permit allowing manufacture or shipment. To enable me to consider a decision from the local point of view I have been supplied by the Ministry of Munitions with the necessary information, from which I and my advisers are enabled to judge the difficulties which present themselves to the Ministry when considering New Zealand orders, and I have been specially requested to have full regard to this information when commenting on orders from the local point of view of our Dominion.

*Certain Types of Orders to be discouraged.*

5. From this it will be gathered that it is the desire of the Ministry that certain types of applications should be discouraged, and I trust therefore that the commercial community will appreciate the fact that I have a duty to perform in this matter which, although sometimes unpleasant, is requisite in view of the conditions obtaining as a result of the war. However, recognizing it as unfair that enterprising persons should be permitted to embark on new ventures which would be impossible of fulfilment, owing to the policy which the Ministry of Munitions considers it wise to follow, I have endeavoured to warn business men of the lines in regard to which difficulty in procuring supplies might be encountered. The position is, roughly, that the Ministry of Munitions has taken a firm stand in regard to stocks of all commodities containing metals which are usually exported from the United Kingdom to New Zealand, and which are now wanted there for munitions and other national purposes. The attitude of the Ministry amounts to this: they refuse to grant a permit to manufacture in favour of "A" whilst his neighbour "B" in New Zealand holds stocks on the lines "A" desires to secure.

*Stocks of Engineering Supplies held in New Zealand.*

6. This matter is leading me to obtain particulars of stocks which are held in the Dominion in some of the important lines to which my attention has been specially directed. I trust the officials deputed to attend to the collection of the desired information will be fully assisted by the commercial community, so as to enable these particulars to be promptly and accurately compiled. Then, again, the Ministry of Munitions has given us to understand definitely that under no consideration can plant for the extension of businesses or ordinary commercial enterprises be favourably considered. The aim of the Ministry is to provide, from the limited quantity of some materials available, sufficient to maintain continuity of operations in essential industries—that is, apart altogether from materials for munitions. Precedence is, of course, taken by work directly necessary for the prosecution of the war, and only in this connection are developments permitted. I am informed the equipment of new works and extensions of existing works will receive scanty sympathy from the Ministry, and several notable instances of this ruling have been brought before my notice.

*Forwarding Doubtful Orders to London.*

7. I am somewhat concerned in having, under existing instructions, to discourage certain orders from going forward for execution—this means, to prevent them going forward favourably certified to from the local point of view. There are many small orders—say, under £100 value each—which, while I realize they may not be given ready attention, should, however, in my opinion, be forwarded duly certified to from the local point of view, so that in the event of conditions in the United Kingdom becoming easier these orders will be there on the spot ready for such action as is possible. I am consequently endeavouring to bring about a satisfactory arrangement in this direction, which will be helpful to the community generally.

*The High Commissioner's Activities in the United Kingdom.*

8. It is with pleasure I report the substantial and satisfactory results of the work done by the High Commissioner for New Zealand in London, in regard to obtaining execution and shipment for orders representing our pressing necessities. It is clear that a spirit of confidence exists between the staff of the High Commissioner's office and that at the office of the Ministry of Munitions; and it is my desire to strengthen this understanding by making no undue or unreasonable request, my attitude being to endeavour to secure only such supplies as will enable the Dominion to maintain a continuity of essential industries and reinforcements.

*Volume of Business transacted.*

9. Since the system of certification has been established in New Zealand over 1,500 applications, exceeding £600,000 in value, have been duly dealt with and passed on to the High Commissioner in London for action.

## CONCLUSION.

*Honorary Advisers and Honorary Experts.*

1. In conclusion I desire to report my appreciation of the valuable assistance which has throughout the period under review been furnished me by those gentlemen who have loyally and gratuitously devoted their time and talents in materially helping to solve some of the difficulties which have to be surmounted in order to secure the great and ultimate victory we all are endeavouring to attain. My thanks are especially due to my advisers—namely, Messrs. A. H. Miles, Alexander Macintosh, and George Wilson—and to my experts, Messrs. S. Kirkcaldie, J. L. Morrison, James Marchbanks, M. P. Cameron, and A. W. Blair.

*The New Zealand Military Authorities.*

2. It is further satisfactory to be in a position to report the fact that the operations of my Department have been greatly facilitated by the capable and courteous assistance afforded throughout the period under review by the military authorities generally. This in particular applies to the Director of Equipment and Ordnance Stores (Major McCristell), and to the Director of Supplies and Transport (Major Ostler).

*Departmental Staff.*

3. My thanks are due also to the staff controlled by my chief executive officer (Mr. A. M. Adams), which has efficiently coped with a rapid expansion of departmental business during the last twelve months. It is significant that a new Department can in these times be suddenly built up and reliably maintained, notwithstanding staff difficulties which are now experienced in all avenues of employment.

ARTHUR M. MYERS,  
Minister in Charge of Munitions and Supplies.

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