

the fees to an extent estimated to produce a revenue amounting to at least two-thirds of the expenditure. In order that the increased burden shall be evenly spread over the trade, and shall not press unduly on the small dealer, the amended scale provides that the additional revenue will be derived mainly from the importation license, the fee for which has been increased from 5s. to £1 per ton. This represents an additional charge of 4½d. on each 50 lb. package of explosives. The only other increase is in the license fees for private magazines to store quantities of explosives exceeding 5 tons, and will affect only a few of the wholesale merchants.

Staff.—The staff remains the same as on the date of the last annual report. Owing to there being insufficient accommodation in the Laboratory the branch has been removed to temporary premises in an adjacent building. The officer in charge has been appointed Deputy Chief Inspector.

Importation.—Licenses were issued for the importation of the following explosives during the year: Gelignite, 1,077,200 lb.; gelignite-dynamite, 50,000 lb.; blasting-gelignite, 40,000 lb.; quarry monobel, 30,000 lb.; ligdynite, 56,400 lb.; A2 monobel, 256,500 lb.; monobel No. 1, 60,000 lb.; Viking powder, 28,150 lb.; stomonal No. 1, 10,000 lb.; bobbinit, 6,500 lb.; blasting-powder (grain and pellets), 416,001 lb.; sporting-powder, 16,767 lb.; total, 2,047,518 lb. Detonators, 1,939,000; fog-signals and fireworks, 1,898 packages.

These figures show a considerable increase over those for the previous year, but this is accounted for by the fact that the latter were abnormally low and the stock of explosives in the country was greatly depleted. This state of things continued during the early portion of the past year, but recent importations have established a reserve supply of explosives, which, while not quite up to pre-war standard, gives reasonable security against shortage.

Manufacture.—The only factories licensed for the manufacture of explosives were the fireworks-factory of Mr. H. F. Bickerton, at Wainoni Park, Christchurch, and the Colonial Ammunition Company's small-arms ammunition factory at Mount Eden, Auckland.

Storage.—The total number of magazines licensed for the year was 227, being an increase of fifty-nine on the previous year. Of these licenses eighty-nine were for quantities up to 300 lb., seventy-four were for quantities between 300 lb. and 2,000 lb., and sixty-four for quantities over 2,000 lb.

Public Magazines.—There are still three Government magazines available for public use—viz., at Wellington, Greymouth, and Dunedin. The question of establishing Government magazines at Auckland and at the Bluff will come up for consideration during the coming year. The magazine accounts for the financial year show that after making an allowance for depreciation of buildings and plant, but not for interest on capital expenditure, there has been a loss on the year's working for the three magazines of about £30. The past year has, however, been abnormal, since there was a shortage of explosives during the greater part of the year, and on several occasions the magazines were practically empty. In addition to the Government magazines the local authorities at Paeoa and New Plymouth maintain magazines for public use.

Licensed Premises.—During the year 640 licenses were issued in respect of premises licensed to sell explosives. This is an increase of thirty-three on the previous year.

Accidents.—The only accident in connection with the storage or transport of explosives which has come under the notice of the Department was an explosion which occurred at Te Puke. In this case a boy was carrying about 5 lb. of blasting-powder from the magazine to the shop. The boy was so severely burned that he died shortly afterwards, and it appears from a statement made to his father that some matches in his pocket were ignited by friction against a bunch of keys, and that these set fire to the powder, which he had placed on the ground while tipping out the contents of his pocket. The boy was only fifteen years and three months of age, and the Department is taking legal proceedings against the firm concerned for breach of the regulation which requires that a person under the age of sixteen years shall not be employed in any magazine except under supervision.

Conveyance.—The number of licenses issued during the year was 299, being a decrease of seven on the previous year.

Legal Proceedings.—During the year it was found necessary to take proceedings against a number of persons for breaches of the Act. The following table gives details of these prosecutions:—

Place.	Offence.	Fine.
Geraldine ..	Storing 275 lb. of explosives in an unauthorized place—to wit, in a storeroom	£5 and costs.
Ashburton ..	Storing 300 lb. of explosives in an unauthorized place—to wit, in a shed used for the storage of petroleum abutting on street	£10 and costs.
Oamaru ..	Storing 425 lb. of explosives in an unauthorized place—to wit, in a storeroom on corner of two streets	£25 and costs.
Kaupokonui ..	Storing 313 lb. of explosives and 3,000 detonators in an unlicensed magazine	£10 and costs.
Balclutha ..	Storing 385 lb. of explosives in an unauthorized place—to wit, a room in rear of shop premises	£10 and costs.
Takapau ..	Storing 165 lb. of explosives in an unauthorized place—to wit, in a bulk store	£4 2s. 6d.* and costs.

* 6d. per pound on explosives stored illegally.

I would again note that it is the policy of the Department not to take action except where gross breaches of the regulations have been committed by persons who have been warned regarding an offence, or where a practice is self-evidently dangerous. In all such cases a substantial penalty is asked for.

Condemned Explosives.—The following explosives have been condemned during the year for the reasons given: Electric detonators, 144,000 (insensitive flash composition); electric detonators, 3,500 (perished insulation); dynamite, 15 lb. (exudation); powder 10 lb., Viking powder 20 lb., quarry monobel 5 lb., gelignite 37 lb., sabulite 300 lb. (moisture-absorption).