

Various industries have been controlled for war purposes, while in many other industries the control of such materials as metals has placed considerable restrictions on certain types of industrial units. In some cases the activities of Supply Controllers have, to some extent, superseded the activities of the Bureau. The Bureau has recognized that the war must take precedence over peacetime activities and has adapted its policy accordingly.

The Bureau proceeded with the drawing-up of plans for various industries. Two of the plans—those relating to the manufacture of soap and of storage batteries—were rejected by the manufacturers, and in accordance with his previous statement that he would not have an industry licensed under the Act where the licensees had rejected a plan, the Minister delicensed these industries. In the industries for the manufacture of radio receiving sets and electric ranges the plans were carried by a substantial majority, and regulations were brought down providing for these plans. Several other plans which were in the course of preparation and nearing completion were deferred meantime pending the easing of the war situation.

In the report for last year mention was made of the setting-up of the Footwear Industrial Committee under the plan for that industry. That Committee has continued to function and is doing valuable work for this industry at a time when it has to meet increased demands placed on it for military supplies. Committees have also been set up in connection with the plans for the electric-range industry and the radio-manufacturing industry. This brings the number of Industrial Committees under the Act to five—namely: Footwear Industrial Committee; Flax Plan Industrial Committee; Pharmacy Plan Industrial Committee; Radio Plan Industrial Committee; Electric Range Plan Industrial Committee.

These Committees are doing valuable work at a critical time, and much is expected from them in the post-war years.

So far as licensing is concerned, during the year three industries were brought within the provisions of the Act. These were manufacture of agar from seaweed, linseed products, and medicinal plants. None of these industries was established in the Dominion at the time of the publication of the licensing notice. There was, however, much preparatory and experimental work done in connection with medicinal plants and agar.

Agar is a gelatinous substance made from seaweed and used for medicinal, bacteriological, and various commercial purposes such as the canning of meat. The manufacture of this in New Zealand has become essential owing to the cutting-off of our sources of supply, due to the spread of the war to the Pacific. At present there is a substantial export market available to the Dominion if it can produce this substance in sufficient quantities.

Linseed products comprising linseed-oil and linseed-cake were made in New Zealand some years ago, but were not financially successful. However, with the present production of large quantities of linseed within New Zealand there seems no reason why the manufacture should not be carried out economically in the Dominion.

The cutting-off of overseas sources of supply is also the reason for the licensing of the medicinal-plant industry. This industry comprises the artificial dehydration of four plants—namely, foxglove, deadly night shade, thorn-apple, and henbane. From these plants essential drugs are obtained, and an export market to England is also available for the crude drug material from these plants.

During the year four industries were delicensed—namely, the manufacture of waxed paper and the refining of used oil, as it was found that these were but sections of more comprehensive industries; and the manufacture of soap and of storage batteries because of the rejection by these industries of the plans prepared for them.

#### MINISTRY OF SUPPLY.

The past year has been noteworthy for marked changes, and it has been found necessary to implement major measures of control. Rationing has been introduced in lines which affect all households, notably sugar, tea, and clothing. It was for a time found necessary to restrict the use of cement, and while this ban on normal usage has been lifted, nevertheless numerous other items, particularly those utilized in construction, have been limited to the most essential uses. The fall of Malaya and the Netherlands East Indies has rendered the rubber situation most acute in the Allied countries, and accordingly it has been found necessary to restrict the release of tires to vital essential services only. Similarly, conservation of petrol stocks has necessitated restriction of issue to a minimum.

The Ministry of Supply, as originally set up with Controllers administering vital commodities and services, has continued, the various Supply Controllers having exercised their powers to a much greater extent than was necessary during the previous period. Indicative of this some brief comments on the functions and action taken by various Controllers follows:—

*Munitions Control.*—The Department records with deep regret the death, early in the period, of Mr. E. T. Spidy, the first Munitions Controller in New Zealand. Following the death of Mr. Spidy, Squadron Leader G. Carter, who had been assisting Mr. Spidy prior to his decease, was appointed Munitions Controller.

Considerable expansion has taken place in the output of munitions, and New Zealand to-day is manufacturing a very wide range of items for defence purposes.

Owing to the shortage of mild-steel supplies it was decided to duplicate the existing plant of the Otago Iron Rolling Mills. The machinery, with the exception of special items such as the rolls, has been manufactured in the Dominion. The additional production of bar-steel sections will accelerate the manufacture of munitions, and the plant will be of permanent benefit to the engineering industry.

*Factory Control.*—The main problems during recent months have revolved round the question of diminishing supplies of imported raw materials, and it has been found necessary to exercise full control