

SEPARATION FROM TOURIST AND PUBLICITY DEPARTMENT

In the period since the last annual report was presented there has occurred a major development in the Department's history. For the first time since its amalgamation in 1930 with the Tourist and Publicity Department, the Department of Industries and Commerce, in consequence of the Government's decision in November, 1945, to divide the two organizations, now resumes its separate identity. It is accordingly of some interest to refer briefly to the events of the years which immediately preceded the separation, and to describe the functions, the objectives, and the form of the Department of Industries and Commerce.

CHANGES DUE TO GROWTH AND RECESSION OF MINISTRY OF SUPPLY

In 1941-42 the task of procuring the country's wartime requirements of non-munitions goods was entrusted to the Department, the head of which was appointed Secretary of Supply, while retaining office as Secretary of the Department. What happened at that point was that the duty which had previously been the function of the Department under the import-licensing system of ensuring, as far as possible, that industry received its requirements of plant, equipment, and materials, then grew into the task of the actual procurement of a wide range of both industrial and commercial requirements. The resultant supply organization came to be known as the Ministry of Supply. A combination of supply problems under the emergency of war caused procurement by the Government under bulk buying procedures to take the place of much private importation. Practically all of the country's requirements by way of imports for the maintenance of its industrial and commercial economy during the war were procured by or through the Ministry of Supply, either for cash or under lend-lease and mutual aid, while important classes of war goods produced by local manufacture were made under contracts arranged and controlled by the Ministry. The magnitude and diversity of this task overshadowed the functions of the Industries and Commerce Department. With the cessation of hostilities and the consequent reversion to commercial procedures as far as international circumstances permit, the Ministry of Supply has receded in strength, while the more usual features of Industries and Commerce administration are again emerging. Leaving aside all the trials and difficulties which beset the Department in the immense task which was then new to Government procedure and experience, an outstanding feature of the wartime operation was the knowledge and experience acquired by the Ministry of Supply of the requirements of industry and of trade in this country and abroad. It is not an overstatement to say that in the years from 1942 to 1946 a deeper insight into the industrial economy of the country was gained than could have been gleaned in double or treble that period under normal conditions. Nor is it an overstatement to say that in the same period there has been a greater degree of combined action between traders and industrialists on the one hand and the Department on the other to meet the country's commercial and industrial requirements. It is much to be regretted that the great pressure of work and shortage of staff in those years did not permit of thorough compilation and complete assimilation of records and statistics, for these would have greatly enhanced the value of the experience gained. Nevertheless, much value remains in the enhanced knowledge acquired of overseas conditions as well as of our own.

ORGANIZATION DESIGNED TO ASSIST INDUSTRY AND TRADE

When the time came to change back to peacetime conditions not only had it become clear that the Department should be enabled to apply as effectively as possible the experience it had gathered, but it also became clear that local industrial and commercial interests were anxious to enjoy the benefit of the Department's knowledge and experience. To further these ends, two Divisions of the Department were formed—one relating to industries and the other to commerce. It was apparent that New Zealand's development of versatility in industrial affairs and her development under changing