

World shortages which are of major concern to this country include iron and steel products, textiles in the cotton and rayon groups, pulp and paper, rubber, fertilizers, certain industrial chemicals including particularly such items as caustic soda and white lead, and certain synthetic materials. It has been necessary to accept supplies of many lines upon a basis of quota, and even this, in some instances, has been steadily diminishing. Cotton yarns and piece-goods from the United Kingdom are an example of goods for which such an experience has been suffered, and to alleviate the position it has been necessary to seek additional supplies from India, Canada, and the United States of America. The total quantity made available from all sources is, however, short of our needs. Iron and steel in their various forms are in extremely short supply, and at the present time world production is not sufficient to meet the expanded world demand. Synthetic lacquer, which is used for finishing leather and other products, is an example in another field of a substance the lack of which is retarding output of local factories. In some substances, as, for instance, gypsum and pig iron, shipping is the difficulty. While these shortages are causing acute problems even to the point of temporary cessation of operation in certain local plants, and while in some cases it appears that permanent improvement in the flow of supplies will not be assured for some time yet, everything possible is being done by both private and Government interests. The fact remains that New Zealand is relatively in a very favourable position for supplies, while the productive capacity of New Zealand industry continues to be of immense value, as it was in the war years.

ASSISTANCE TO INDUSTRY AND TRADE IN SHIPPING GOODS

By facilitating the movement of goods as well as by assisting in their purchase or manufacture, the Department is giving service to industry and to commercial interests. The important place occupied by shipping and other transport services during the war years is recognized and appreciated, but, although cessation of hostilities has removed war dangers to shipping, it has not removed extreme demands on the services of the depleted tonnages which remain. It has been found essential for the Department to continue the functions carried on by the Ministry of Supply in the war years to meet difficulties in the movement by sea of goods from abroad and around the New Zealand coast. These functions have been to take all possible action, firstly, to secure shipping space in the general sense of the term for supplies other than those being moved under direct military control, and, secondly, to secure it at particular places and times determined by the urgency of the demand for the movement of the various classes of goods. In our endeavours to secure the maximum of shipping space to which we could lay claim, we have maintained pressure on the British Ministry of War Transport and other interests for vessels to be made available to this country either under charter to companies operating locally in our coastal and inter-colonial trade or under other appropriate conditions. Assistance, too, has been accorded to shipowners in the acquisition of new tonnage, both under reparations and by purchase of vessels owned by Governments of other countries.

Much value has been derived from our contact with shipping affairs embracing world-wide scope which has been secured through the membership of the United Maritime Consultative Council and of its predecessor, the United Maritime Authority.

It is at once apparent that, with greater volumes of cargo than there has been space, the fixing of scales of priorities would give rise to much difficulty. Inflexible factors such as the types of ships required and conflicts in demand for their use prevent, in many cases, attainment of the aim that goods for which demand is most urgent actually secure the earliest transport. The Department's staffs in those countries abroad from