

our business, who have for patriotic reasons given their gratuitous assistance to their country by attaching themselves to the office which was created to control or conduct buying operations in respect of military requirements. Chief among these gentlemen are—

Mr. Sidney Kirkcaldie, of Kirkcaldie and Stains (Limited), Wellington;
 Mr. J. L. Morrison, representative in New Zealand for Messrs. I. and R. Morley (England), Wellington;
 Mr. G. R. Ritchie, Dunedin;
 Mr. M. P. Cameron, Hardware Expert, Customs Department, Wellington;
 Mr. A. W. Blair, of Messrs. Chapman, Skerrett, Tripp, and Blair, barristers and solicitors, Wellington;
 Mr. F. W. Furkett, Inspecting Engineer, Public Works Department, Wellington; and
 Professor F. P. Worley, University College, Auckland.

I also desire to express my thanks for the prompt and courteous attention given to my requests in regard to matters connected with supplies which have been dealt with by various Government Departments, particularly to the Labour Department and the Government Printing Office.

COST OF CONTROLLING BUYING OPERATIONS.

Owing to the gratuitous services of the gentlemen mentioned above and others who have similarly given their services to me, the Purchase Office under my control has been conducted at a strikingly low cost of 0·0005 per cent. of the value of business transacted since its inception in August last, which amounts in value to approximately two millions sterling, and, taking into account all lines required, represents, roughly, the handling of about 50,000,000 (fifty million) articles when the same will have been handed over to the officers under the control of my colleague the Hon. the Minister of Defence.

MUNITIONS.

In August last, when the portfolio of Minister in Charge of Munitions and Supplies was created, the supplies of munitions for our Armies were not on such a firm basis as they apparently are at present, and there was an earnest desire on the part of the Government and a large section of the public that the question of whether anything could be done by New Zealand to assist the Mother-country in this direction should be thoroughly investigated.

Prior to my taking office inquiries had been instituted by the Hon. Minister of Defence with the view of ascertaining whether the Imperial authorities could supply the New Zealand Government with machinery for the manufacture of munitions, or whether it was obtainable from other sources. The result of these inquiries showed that all the machinery of this nature was already in use and working at high pressure, and that it was hopeless to expect to be able to obtain any for the purpose of manufacturing munitions in New Zealand.

CONFERENCE OF ENGINEERS CONVENED.

The machinery not being available from outside the Dominion, it was clear that any attempt at manufacture would have to be made with the resources already available within the Dominion. With the idea, therefore, of gauging the capabilities of these, shortly after taking over office I convened a conference of some thirty-four of the leading engineers and others interested in the matter. This conference was held in Wellington on the 3rd September, 1915, when the following question was discussed: "Is it possible and practicable to manufacture in New Zealand the following articles for military purposes: (a) 18-pr. shells, complete or in part; (b) 4·5 in. shells, complete or in part; (c) Maxim guns; (d) rifle-parts; (e) bayonets and scabbards?"

The deliberations of the conference lasted throughout the whole day, and resulted in a committee consisting of the following gentlemen being set up to prepare a report on the subject: Professor R. J. Scott, Canterbury College, Christchurch (chairman); Mr. W. Price, of Messrs. A. and G. Price, Thames; Mr. H. H. Jackson, Chief Mechanical Engineer, New Zealand Railways (during Mr. Jackson's absence from the Dominion Mr. G. A. Pearson, who acted as Chief Mechanical Engineer, kindly consented to take his place on the committee); Mr. J. Stevenson, of the Stevenson and Cook Engineering Company, Port Chalmers; Mr. J. Keir, of Messrs. P. and D. Duncan, Christchurch; and Professor T. H. Easterfield, Victoria College, Wellington.

On the 6th September, three days after the holding of the conference, this committee furnished an interim report, the purport of which was that the bodies of 18-pr. and 4·5 in. shells could be manufactured in New Zealand, providing the steel could be procured. No suitable material was, however, available in the Dominion.

The committee were of the opinion that the manufacture of more than the bodies of shells should not be attempted, as it would not be possible to make cartridge-cases, nor feasible to provide the explosive.

The committee did not think it practicable to manufacture machine guns in any considerable number in the Dominion. This work, it was pointed out, was of an exceedingly difficult and complex character, and it would not be possible to ensure the high standard of accuracy required by the Imperial authorities for the necessary interchangeability of parts and reliability in the field without the establishing of a factory from which, under conditions then existing, no useful output could be obtained for a period of some two years.

The members of the committee recognized that, with the assistance of the best appliances in the Dominion, it would be possible, in time, to turn out, largely by expert hand work, a very limited number of guns. It might be here stated that the Railway Department were successful