

1920.

NEW ZEALAND.

DEPARTMENT OF IMPERIAL GOVERNMENT SUPPLIES.

EXTRACTS FROM REPORTS PRESENTED TO THE IMPERIAL PARLIAMENT DEALING WITH RAW MATERIALS ADMINISTERED DURING THE WAR PERIOD AND UP TO THE 31st MARCH, 1919.

Laid on the Table of the House of Representatives by Leave.

SIR,—

Wellington, 31st August, 1920.

I desire to bring under your notice certain information extracted from a report furnished by the Right Hon. Lord Inverforth (Minister of Munitions) covering memoranda by Sir Arthur H. Goldfinch, K.B.E., Director-General of Raw Materials, and Mr. J. A. Cooper, C.B.E., Director of Finance (Raw Materials), which has been presented to the Imperial Parliament by command of His Majesty.

I have, &c.,

ROBERT TRIGGS,

Controller, Department of Imperial Government Supplies.

The Right Hon. the Minister in Charge,

Department of Imperial Government Supplies, Wellington.

RAW MATERIALS.

EXTRACTS FROM NOTE BY THE RIGHT HON. LORD INVERFORTH, MINISTER OF MUNITIONS.

The presentation to Parliament of the trading accounts and balance-sheet (from the inception of the schemes up to 31st March, 1919) of the raw materials administered during the war by me as Surveyor-General of Supply at the War Office, and subsequently transferred to the Ministry of Munitions, offers a suitable opportunity for a general review of the circumstances which called for the adoption of each scheme, the method of execution, and the measure of success that attended such execution.

The execution of these schemes has rested on a devoted band of business men, each of them expert in his own trade, who freely placed their great knowledge and experience at the service of the State, and most of whom declined to receive any remuneration whatever for their very valuable—indeed indispensable—services.

Mention must be made of the services of the Central Wool Committee, Melbourne to whom, and to the Department of Imperial Government Supplies, Wellington, is due the successful execution of the difficult task of appraising, collecting, and shipping the wool from the Commonwealth of Australia and the Dominion of New Zealand.

EXTRACTS FROM GENERAL MEMORANDUM BY SIR ARTHUR H. GOLDFINCH, K.B.E., DIRECTOR-GENERAL OF RAW MATERIALS.

. In the earlier part of the war there appeared to be very little risk of any scarcity of raw materials. The British Fleet commanded the seas, and the closure of the German ports diverted to England supplies of commodities which would in the ordinary course have gone to Germany. Our imports of wool in 1915 were, for instance, by far the greatest on record.

The growing intensity of the war, the enormous increase of the British Armies, and the German submarine campaign against merchantmen changed the situation radically. The Government requirements, on our own behalf and for our Allies, increased by leaps and bounds. To obtain any proportionate increase of supplies was a matter of immense difficulty, and it became gradually evident that the task could not be left to undirected private enterprise. It was not possible to allow private importers to enjoy the almost unlimited opportunities of profit which would have been open to them. Still less was it possible to permit the amount and character of the available supplies to depend on their judgment, when any failure to make adequate provision would have had the most fatal consequences. From the beginning of 1916 onwards the true character of the problem began to show itself. When the submarine campaign developed on a large scale it became evident that the effective regulation of supplies was a matter of life or death to the nation. If the sinking of merchant ships had continued on the same scale as in April, 1917, the supplies required for military purposes could not have been provided except by reducing civilian consumption in a degree which would have strained national endurance to the utmost. The disasters of April, 1917, were not repeated in the same degree in any subsequent month, but it was necessary to be prepared for the worst, and even the measure of success which the submarine campaign during the last two years of the war actually attained would have crippled our national effort had it not been for the unprecedented powers granted by Parliament, which enabled the Government to take extreme and far-reaching measures to secure supplies and to regulate and restrain consumption.