

1940.
NEW ZEALAND.

STORES CONTROL BOARD

(ANNUAL REPORT OF).

Presented to both Houses of the General Assembly by Leave.

Stores Control Board, Wellington, 12th August, 1940.

The Hon. R. SEMPLE, Chairman, Stores Control Board.

I HAVE the honour to submit herewith the annual report of the Stores Control Board for the year ended 31st March, 1940.

P. ELLERM, Secretary.

REPORT.

PURCHASES.

During the year ended 31st March, 1940, the expenditure on the purchase of stores was as shown hereunder :—

	Year ended 31st March, 1940.		
	£	s.	d.
Railways	3,083,715	12	0
Public Works	2,748,031	8	2
Army	1,176,495	11	3
Air	953,309	16	1
Post and Telegraph	646,367	13	8
Native	315,070	5	6
Navy	275,445	11	4
Mental Hospitals	224,324	10	0
Lands and Survey	171,749	17	6
Printing and Stationery	88,225	14	2
State Forest Service	87,248	2	6
Housing Construction	72,548	17	0
Health	65,703	9	5
National Broadcasting Service	58,788	3	6
Education	48,360	11	5
Industries and Commerce, Tourist and Publicity	51,450	0	0
Justice and Prisons	45,364	13	6
Agriculture	44,062	2	4
Mines	42,980	3	2
Marine	41,837	15	9
Scientific and Industrial Research	26,048	14	8
Social Security	24,518	2	5
External Affairs	21,468	19	6
National Commercial Broadcasting Service	17,500	10	0
Land and Income Tax	16,340	0	9
Internal Affairs	14,709	16	7
Transport	14,446	0	0
Police	10,875	5	0
State Fire	8,438	12	0
Other Departments	22,657	8	4
	<u>£10,418,083</u>	<u>7</u>	<u>6</u>

The amounts shown for Navy, Army, and Air Departments includes stores purchased by the Defence Purchase Division for the period from 1st October, 1939, to 31st March, 1940.

The above return of stores purchased includes all articles of a consumable or non-consumable nature required in carrying out the services of Government Departments, including books, forms, stationery and office requisites, furniture, fittings, mechanical office appliances, motor-cars and other vehicles, implements, plant and machinery, live-stock, and all Government personal property of any description.

When compared with the year ended 31st March, 1939, the amount expended in the purchase of stores for all Government Departments during the year ended 31st March, 1940, shows an increase of £570,929. Disregarding the amounts expended by the Navy, Army, and Air Departments, whose total purchases have greatly increased due to war activities, the expenditure of other Departments represents a reduction of £893,199 when compared with the past year.

The total amounts expended during each of the past ten years were as under :—

				£					£
1931	..	..	..	4,286,803	1936	..	..	..	3,251,814
1932	..	..	..	2,757,214	1937	..	..	..	5,349,386
1933	..	..	..	2,109,698	1938	..	..	..	7,515,063
1934	..	..	..	2,417,676	1939	..	..	..	9,847,154
1935	..	..	..	2,939,642	1940	..	..	..	10,418,083

CONTRACTS.

At the 31st March, 1940, contracts arranged by the Board were in operation for the supply of the undermentioned items to all Departments :—

- Batteries for motor-vehicles.
- Bricks, earthenware pipes, and fittings.
- Brushware, painters' and general.
- Candles, soap, and soda.
- Cement.
- Chain mesh netting.
- Coal, coke, and firewood.
- Cream-separators.
- Cyclostyle stencils and correcting-fluid.
- Diesel engines for driving milking-plant, &c.
- Disinfectant.
- Electric lamps.
- Fencing-wire.
- Fire-extinguishers.
- Galvanized sheets, corrugated and flat.
- Ink, cyclostyle, fountain-pen, and writing.
- Lawn-mowers.
- Milking-machines.
- Motor-vehicle lubricating oils and greases.
- Motor-spirit and kerosene.
- Motor-tires.
- Office diaries.
- Oil fuels and lubricating-oil for Diesel engines.
- Oxygen, acetylene, and hydrogen gases.
- Paper, carbon, toilet, and wrapping.
- Polish, metal, floor, and boot.
- Sensitized papers and linens.
- Spare parts for motor-vehicles.
- Superphosphate and compound superphosphate fertilizers.
- Tubes and fittings, galvanized and malleable.
- Twine.
- Typewriters and typewriter-ribbons.
- Uniform clothing.

In addition to the above, numerous departmental contracts were also arranged, the principal items concerned being—

- Aero-engine lubricating-oil.
- Artificial limbs.
- Aviation spirit.
- Boots and shoes for Army and Air Departments.
- Cloth and clothing items for Navy, Army, and Air Departments.
- Creosote for Forestry Department.
- Crockery for Mental Hospitals Department.
- Foodstuffs (sugar, milk, bread, butter, meat, fish, hams, and bacons, &c.).
- Oil fuel for Government ships.
- Lubricating-oil for m.v. "Maui Pomare."
- Malted milk for milk-in-schools scheme.
- Medicines for Native schools.
- Samoa and Niue Island banana-cases and Rarotongan citrus-cases.
- Skip-grease and lubricating-oils for Mines Department.
- Tobacco for Mental Hospitals Department.
- Tooth-brushes for Navy Department.

Despite the difficult trading period during the latter half of the year due to war conditions, the service given by contractors throughout the year has, in general, been efficient and satisfactory.

PURCHASE OF SEEDS.

The total value of seeds purchased by the Department of Agriculture, which acts as the Board's purchasing Department for seeds for all Government Departments, amounted to the sum of £110,000 for the year ended 31st March, 1940. In August and September, 1939, a quantity of 450 tons of grass and clover seed was purchased in one week for autumn sowing, and this constitutes the largest single purchase of these types of seeds ever completed in New Zealand.

WAR ACTIVITIES.

Since September, 1938, the Board was actively engaged in arranging for the purchase of reserve stocks of essential materials for the armed Services. Acting in close co-operation with the Department of Industries and Commerce, surveys were made to ascertain the immediate requirements of essential materials for reserve stocks and the quantities and the nature of the supplies which would be required in the event of mobilization. Inquiries were also made to ascertain what supplies could be manufactured locally or obtained from stocks held in the Dominion. The items covered by this survey were mainly uniform cloth, woollen clothing, and general camp equipment, and an outline of the action taken to procure these supplies is shown hereunder:—

- (a) *Uniform Cloth, and Clothing.*—In view of the large quantities of woollen cloth, blankets, socks, and underclothing required, each mill was required to undertake the manufacture of a definite quota of the supplies so that in the event of war the whole of the woollen-manufacturing resources of the Dominion could be called upon. Acting in conjunction with the Department of Industries and Commerce (now the Ministry of Supply), the matter of supply was discussed with representatives of the Woollen-mill Owners' Association, who were furnished with details of the materials and quantities required for reserve stocks, as well as with the estimated quantities which would be required in the event of mobilization. Specifications were revised after consultation with the industry, and samples to show the quality of the materials were supplied to each mill. Orders for reserve stocks were placed in June, 1939, in accordance with the allocations made by the association, and manufacture of the bulk supplies was commenced after samples submitted by each mill had been inspected and approved.
- (b) *Boots.*—A similar arrangement to that entered into with the Woollen-mill Owners' Association was also made with the boot-manufacturers' Association in July, 1939, for the manufacture of boots; and the Tanners' Association was also approached to ensure that adequate leather-supplies would be available to the boot-manufacturers.
- (c) *Camp Equipment.*—Surveys were made of the capacity of manufacturers to undertake the supply of camp equipment such as mess gear and cooking-utensils in order to facilitate the placing of orders as and when the material was required. Arrangements were also made with merchants to maintain sufficient stocks of certain items of mess equipment so that supplies would be available immediately in the event of mobilization. In addition, inquiries were made as to what items could be manufactured in Government workshops.
- (d) *Aviation Spirit and Aero-engine Lubricating-oil.*—Reserve stocks of aviation spirit and aero-engine lubricating-oil were purchased for the Air Department, and these supplies were available in the Dominion prior to the outbreak of war.
- (e) *Purchase of Materials from Overseas Sources.*—Arrangements were also made for the armed Services to place indents for reserve stocks of essential items which could not be manufactured within the Dominion.

As a result of these arrangements production of essential requirements had already been commenced prior to the outbreak of hostilities and stocks were on hand to equip Forces mobilized by the Army and Air Departments. On the outbreak of war production was speeded up to meet war requirements, and contracts were arranged for the manufacture of this cloth into uniform garments.

The value of the purchases of reserve stocks of clothing and boot requirements arranged by the Board amounted to over £200,000.

DEFENCE PURCHASE DIVISION.

On the 28th September, 1939, the Defence Purchase Division was established to purchase the stores requirements (exclusive of groceries and foodstuffs, which are purchased by the Internal Marketing Department) for the Navy, Army, and Air Departments for the duration of the war. This Division works as a branch of the Treasury and acts in close co-operation with the Stores Control Board and the Ministry of Supply. Up till 31st March, 1940, stores, exclusive of forward contracts, to the value of £708,771 were purchased for the three armed Services.

PREFERENCE TO LOCAL MANUFACTURERS.

Wherever practicable, the manufacturing resources of local industry and Government workshops have been used to the fullest extent throughout the year for the supply of requirements both for defence purposes and for stores used by Government Departments generally.

Approximate Cost of Paper.—Preparation, not given; printing (540 copies), £1.

