

Each case, however, is considered on its merits, and if the approved percentage of preference is deemed inadequate Cabinet is recommended to increase the percentage. There is no doubt that this policy has greatly benefited both the local and the British producer; indeed, except for certain special classes of stores which are not obtainable within the Empire, the amount expended abroad is negligible. The policy has not, however, been pursued without difficulties arising, some of which have caused serious concern to the Board. The privilege extended to Dominion and British manufacturers necessarily implies that there shall be unrestricted competition among the preferred tenderers. Any action taken by preferred manufacturers or other suppliers prior to the closing dates for tenders with the object of fixing prices is an obvious breach of the implied condition.

It has come to the knowledge of the Board that attempts have been made to establish trade combinations for the purpose of controlling prices. Such attempts, if successful, would necessitate action to protect the interests of the public. The Board trusts that the preferred manufacturers will themselves use every effort to discountenance a system which, if established, would render difficult the maintenance of a policy the Government desires to continue.

*Marine Insurance.*—The necessary legislation has been passed and arrangements completed for the Government to carry its own marine insurance risks. The system will come into operation as from the 1st July, 1925. Owing to the fact that considerable stores have hitherto been purchased on c.i.f. terms, it is difficult to form an estimate of the average annual saving that will result. It is safe to say, however, that it will exceed £4,000, and in all probability £5,000.

*Standardization.*—A special committee consisting of three trained Stores officers, representing respectively the Railway, Public Works, and Post and Telegraph Departments, has been appointed to deal with the standardization of all descriptions of stores required by Government Departments. The committee commenced its sittings in February last, and has already submitted reports covering a number of articles commonly used by all Departments. The work requires the examination of a great amount of data, and it will be some time before the Board can finally deal with the many matters requiring consideration. It may be said, however, that the information already obtained points to the advisability of the Board drawing up its own specifications for all classes of stores, and taking the precautions necessary to ensure that all contractors and other suppliers comply strictly with such specifications.

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