

The Imperial demand for Dominion-made goods such as biscuits, canned meats, condensed milk, &c., has considerably reduced the elasticity of supply previously enjoyed by the armed Services, and substantial reserves will now require to be established against emergency.

CANTEEN SECTION.

The trading activities of the Canteen Board, which was established under the Defence Canteen Emergency Regulations 1939, are controlled by the Canteen Section of the Internal Marketing Division, under the direction of the Secretary of the Canteen Board. Control is decentralized to the extent that the district officers of the Internal Marketing Division located at Auckland and Christchurch attend to certain staffing and routine matters in their respective districts.

In carrying out its function of providing services to meet the requirements of the members of the Defence Forces, the Board's activities have been considerably extended during the year, until it now controls sixty-one facilities, including wet and dry canteens, picture-theatres, hairdressing saloons, and cafeterias.

A Supervisor of Canteens conducts frequent and irregular inspections of all these services. At the end of the year the outside staff, which is comprised of returned soldiers or men medically unfit for active service, totalled 131.

New buildings which have been occupied at the Air stations and the main Army camps have enabled a much more efficient service to be rendered.

Outside New Zealand the Board operates a canteen on H.M.S. "Monowai," while arrangements are now in hand to take over the control of one on H.M.S. "Leander" and three land canteens at Fiji. Other prospects are two at R.N.Z.A.F. stations in New Zealand.

Goods are purchased direct from manufacturers or New Zealand distributors at the lowest possible prices, and full advantage is taken of cash discounts. Chain-store prices apply generally, while prices fixed for tobacco, cigarettes, and certain proprietary lines are observed. Special low prices are arranged for quite a number of essential and popular lines, such as stationery, metal-polish, ice-cream, aerated waters, &c. The fee for admission to picture-theatres is 6d. in all camps, and the objective is to give a service rather than make large profits.

A system of recording all goods disposed of at selling-prices for reconciliation with cash collected has been in operation for the full financial year and has proved to be a most efficient method of stock control. The profit which the Board decides is available for distribution is handed over to each of the fighting Services, which attend to the actual allocation among camps and stations. The sum of £21,130 has been distributed through the Army, Navy, and Air Force Headquarters, which is a direct return to the men who spend money in the canteens. The provision of this profit to the troops for the purchase of sporting material and other social amenities has proved very acceptable. A fixed allocation is made to all men leaving for overseas to provide comforts on board ship.

The Division has been able to give full effect to the Canteen Board's policy and has demonstrated its ability to meet the ever-increasing demands for service which follow the extension of the defence programme.

FOOD CONTROL.

During the year ended 31st March, 1941, the Internal Marketing Division continued to provide the administrative headquarters of the Food Controller under the Ministry of Supply. The appointment of Mr. F. R. Picot to the Eastern Group Supply Council at New Delhi necessitated the rearrangement of the food-control work, and towards the end of the financial year under review the appointment of Mr. J. E. Thomas to replace Mr. Picot as Food Controller was announced, the appointment being separate from the Internal Marketing Division. For practically the whole of the past year, however, food control has been a function of the Internal Marketing Division and is therefore included in this report.

A regular check has been kept upon the wholesale stocks of essential commodities. In this connection the co-operation of individual merchants and the help of the executive of the New Zealand Wholesale Merchants' Federation has been of considerable assistance in the work of food control. For the first half of the year, from April to September inclusive, conditions in regard to imported food-supplies were satisfactory and the prospects good. During this period, therefore, a change was made from weekly to fortnightly returns of wholesale stocks. Towards the end of 1940, with a deterioration in the international situation as affecting the Pacific, it was decided to resume weekly returns, and at the present time weekly returns are being collected and compiled for the following commodities: Canned apricots, canned peaches, canned pears, canned pineapples, salmon, herrings, sardines, sago, tapioca, cornflour, rice, currants, raisins, sultanas, tea, prunes, dates, dried peas, dried beans, dried peaches, dried apricots, coffee, cream-of-tartar (genuine and substitute), soda bi-carbonate, and salt (plain and iodized). In addition, special returns of other products are secured from time to time as required.

As reported in the previous year, tea is one of our most essential imports, and special attention has been given to this item. It will be recalled that during the first three months of the war wholesale stocks of tea fell to a fairly low level, but early in 1940 there was considerable improvement, and throughout the whole of the year, from April, 1940, to March, 1941, inclusive, a strong wholesale stock position has been satisfactorily maintained.

An item which called for constant attention throughout the year was the supply of cream-of-tartar and substitutes therefor. The available supplies of genuine cream-of-tartar have now been practically exhausted owing to the inability to obtain the basic argols from France and the Mediterranean, but in the meantime purchases of suitable substitute material have been made from both the United Kingdom and Canada, and the substitutes are already in use by manufacturers and their use will gradually spread to the average household. It is expected that the substitute material will prove adequate for all purposes and that it will be more economical in use.