

with the war effort, and increased output has been made possible by extensions to plant. Insulating-board is being exported to the Eastern Group Supply Council, India.

Radio.—The manufacture of radio receiving sets was officially discontinued in July, 1942. This was necessary to conserve vital materials required in the manufacture of radio equipment for the armed Services, and followed similar action taken in other countries.

The Radio Plan Industrial Committee has met on several occasions during the year. Its activities are restricted by virtue of the fact that all radio-manufacturing units are now engaged on war work. Two members of the Committee were appointed to the Executive of the Radio and Electrical Man-power Utilization Committee.

Agar.—Since the last report the Davis Gelatine Co., Ltd., has been granted a license to manufacture agar. The company has already installed a pilot plant which has produced a satisfactory commodity. Recent discussions have indicated that there is every possibility that early production on a commercial scale will be attained.

Linseed-oil and Linseed-cake.—A license to manufacture linseed-oil and linseed-cake was issued to Dominion Industries, Ltd., during the period under review. The company has erected an up-to-date factory at Dunedin which was opened by the Minister of Industries and Commerce on the 9th April, 1943. The capacity of the factory is 300,000 gallons, and will therefore supply about a third of New Zealand's requirements. The utilization by this factory of linseed will prove a very convenient outlet for the seed which is harvested with the linen-flax straw, the latter being processed into fibre.

MINISTRY OF SUPPLY

The year under review has seen an extension of control measures and a great impetus in lend-lease supplies. The general war situation and the combining and pooling of the resources of the United Nations have all demanded corresponding measures so far as New Zealand is concerned in obtaining her imported requirements of materials for the country's war effort. The various Controllers within the organization of the Ministry of Supply have continued to exercise their powers in keeping with the trend reported last year following the extension of the war to the Pacific Area.

New Zealand Supply Council.—The provisioning of the American forces in the South Pacific Area indicated the desirability of widening the scope of the New Zealand Supply Council. As stated in last year's annual report, War Cabinet had decided that "the Supply Council shall control the executive organizations necessary to ensure the most efficient, economic, and expeditious production of all supplies." Accordingly it was found desirable, in order to co-ordinate more fully our supply and production problems, to extend the membership of the Supply Council. The Hon. Adam Hamilton, Minister of War Expenditure, was appointed Deputy Chairman and the Commissioner of Supply, the Secretary of Industries and Commerce, and the Controller of Primary Industries were added as members. The Minister of Defence and the Minister of Agriculture and Marketing were constituted *ex officio* members, free to attend at their discretion. The representatives of the United States Joint Purchasing Board in New Zealand and the representatives of the American Office of Lend-Lease Organization in New Zealand were given facilities for attendance by invitation at any meetings of this Council on matters affecting supplies to the American forces or our requirements under Lend-Lease Act.

The value of the Supply Council has proved itself in many ways, not the least in being able to deal efficiently with the increasing and varying demands being made upon this country's resources by the United States forces in the South Pacific area, our own forces at home and overseas, and by the Eastern Group Supply Council on behalf of British Forces in the Middle East.

For two years the New Zealand Supply Council has functioned smoothly and efficiently in the directing and co-ordinating of the production and supply of clothing, equipment, and foodstuffs for the forces and in assisting the promotion of a munitions industry of considerable proportions to utilize to the full New Zealand's engineering and scientific capacity.

The members of the Supply Council have merited the thanks of the Government and the people for their capable and faithful service to the country throughout the period of the war.

Lend-lease and Import Procurement.—Similar to the procedure adopted in Australia, a Lend-Lease Mission to New Zealand was established during the year. This Mission works in close contact with the Ministry of Supply under a procedure whereby New Zealand's requisitions are examined as to eligibility and given a priority by the United States Military Authorities in New Zealand as to urgency of delivery in relation to other requirements in the South Pacific Area. The objective of the Mission is to interpret to this country the official attitude of the Lend-Lease Administration in the United States whilst at the same time assisting New Zealand in her justifiable claims to benefit under the Lend-Lease Act.

A noteworthy feature has been the reorganization of New Zealand's lend-lease and import procurement machinery covering our non-munitions requirements. During the latter part of the year reorganization took place within the Ministry of Supply under powers delegated by the Hon. the Minister to the Commissioner of Supply, Mr. F. R. Picot. The Ministry of Supply, Wellington, which is the New Zealand agency responsible for lend-lease transactions involving principally non-munitions requirements, is operated by a staff based upon the peacetime Industries and Commerce Department, but, of course, greatly strengthened by additions from other Government Departments and commercial interests. The principal supply office in Wellington is administered by the Commissioner of Supply, the North American end dealing with our lend-lease and cash requisitions, is