

23. PURCHASES OF UNITED STATES STORES

(a) General

Consequent upon the termination of hostilities in the Pacific area and the progressive withdrawal of United States Forces from New Zealand and the Pacific islands, the United States Government, through the Office of the Foreign Liquidation Commission, advised the New Zealand Government that much equipment and stores of value to New Zealand was available for purchase from surplus supplies of the United States Armed Forces. Much of the surplus available in the Pacific comprised heavy earth-moving equipment which it has been virtually impossible to obtain during the war and of which New Zealand lost a large part of its available supplies by war action. The Government accordingly entered into a contract with the United States Government to purchase stores and equipment which were in particularly short supply in this country and vital to our post-war economy. At the same time negotiations were undertaken for the purchase of all surplus United States property in New Zealand, and these negotiations were successfully concluded with advantage to both countries.

The purchase of equipment in the Pacific was made by departmental officers and the supplies selected were to meet Government requirements and urgent trade needs to the extent that suitable types of goods were available.

The Board has been charged with the responsibility of disposing of the surplus United States property purchased, and this work is now in hand. Practically all of the goods purchased in the Pacific have arrived in New Zealand, and as fast as possible these goods are being passed over to the Departments or into the hands of trade organizations.

The purchases include all types of earth-moving equipment, prefabricated steel buildings and hangers, carpenters' and engineers' hand-tools, spare parts for heavy equipment, small quantities of timber, miscellaneous vehicles including finger-lift trucks, tires, and miscellaneous supplies. The total cost to the Government of these supplies is in the vicinity of \$4,000,000.

The purchase will result in a financial gain to the Government, but its major advantage is undoubtedly the securing of much-needed supplies to supplement our war-reduced resources. Particularly is this the case with the heavy earth-moving equipment, the receipt of which will enable plans to go ahead on major construction and development works which are under way or contemplated for reconstruction and rehabilitation projects. The supplies of new equipment from overseas are not likely to be great for some time yet and the surplus United States plant purchased will go a long way to filling the gap.

(b) Foodstuffs

With the cessation of hostilities against Japan, all procurement of foodstuffs for the United States Forces in this area was discontinued, and it was found that the huge accumulations of food in the forward bases were sufficient for the immediate requirements of the Forces remaining in the area. As a consequence, the United States Joint Purchasing Board returned to the New Zealand Government for disposal the total stocks of foodstuffs held in store in New Zealand. The inventories of stores returned included heavy stocks of perishable goods such as carcass meats and edible offals, fats, dairy-produce, bacon and ham, and a wide range of dry stores.

The disposal of the perishable stores presented no problems, as they were diverted to the United Kingdom and were shipped as speedily as refrigerated shipping space could be obtained for them. The disposal of these items was arranged by the Export Division, Marketing Department.