

goods to the United States, and mutual aid from Canada. While these and other novel aspects of the Ministry's wartime functions deserve full record, that will require to be given elsewhere than in this report.

As soon as possible after the capitulation of Japan, review was made of controls enacted under the emergency legislation. Relaxation to the greatest extent practicable in the controls over materials which were exercised in pursuance of the Supply Control Emergency Regulations and the Factory Emergency Regulations 1939 has since then resulted in the revocation of the great majority of the control notices. Those administered by this office which remain are the ones relating to rubber tires and tubes, cordage and fibre, tinsplate, paint, and the marking of clothing. World supplies of the above-mentioned commodities and of essential raw materials required for their manufacture continue to be in such short supply that the quantities which are available must be allocated according to the priority of claims to them. It is the Government's desire to see these remaining controls removed as soon as it is reasonable to do so. There has recently been some improvement in supplies of raw rubber, but because of shortages in other elements used in tire-manufacture no immediate substantial improvement in the general availability of automobile tires can be expected. The position to-day is that, while truck and bus tires for heavy transport are available in sufficient quantities, there is no possibility of meeting to any substantial degree the huge accumulated demand for car tires. Some easing of the position for motorists can be expected, however, when the control on retreads is revoked. The three companies which have been granted licenses by the Bureau of Industry for the manufacture of tires in New Zealand are unlikely to have their plants ready to come into production in less than a year.

Orders placed for goods during the year have been confined to those for which procurement by the Government has been essential to obtain them. Substantial quantities of materials were, of course, still not to hand when hostilities ceased, and deliveries against these form a large portion of the goods embraced in the stock which came to hand during the year totalling £2,633,485. The reduction of stocks held in reserve by the Ministry had already begun some months prior to the end of the war in Europe, but the capitulation of Japan made it possible to accelerate their liquidation. Sales for the year to 31st March, 1946, including both current arrivals and reserve stock disposals, totalled £5,058,198. At the end of the year the value of stocks still held by the Ministry was slightly in excess of £2,000,000. Most of the goods are manufacturers' raw materials, but because a large proportion were of lend-lease origin their disposal had to be withheld until the negotiations of the lend-lease settlement were completed. Because of the nature of the goods and for the reason that their normal users or ordinary channels of distribution are familiar to us from our wartime experience, disposals have in the main, not been a problem. Usually the commodities can be sold at ruling market values to normal users. Where circumstances permit, opportunity is given to UNRRA and similar organizations to purchase stocks which they desire and which are available for sale. So that conflict may be avoided in disposals of the Ministry's stocks and of stocks under the control of the War Assets Realization Board, close liaison is maintained between the two organizations on commodity surpluses. Another procedure helpful in achieving orderly disposal and in avoiding waste is the co-ordination of information from applications for import licenses with records of materials held by the Government for sale.

The policy embracing disposal of stocks and the prices at which they are sold remains, with other aspects of our dealing in commodities, under the supervision of the Commodity Prices Committee, which was constituted in 1943, and whose membership includes representatives of the Treasury and of this Department. In view of the importance of the functions undertaken by this Committee in relation to the operation of the Ministry of Supply, it is considered appropriate that a brief review of its activities should be placed on record.