

handling the commodity. In other instances the Ministry dealt individually with a number of companies in connection with a single commodity. Perhaps the most interesting creations in this field of Government-commercial co-operation in distribution of supplies were the non-profit companies, Consolidated Importers (N.Z.), Ltd., and Steel Distributors, Ltd., whose shareholders embraced the importers usually engaged in the handling of the commodities for which the new companies became the intermediary between the Ministry and the importer.

It is interesting and of value at this stage to recount that in December, 1941, the Allied Nations' supply problems were such that forecasts had to be made of requirements for all commodities in critical supply. To rank for allocations of these goods from abroad a full statement of intended use was a prerequisite. It will at once be apparent that each importer's justification for each individual indent could not retain identity in our claim for supplies and the only practicable procedure involved the grouping and consolidating of all New Zealand orders. Hardware and steel presented problems of great diversity in specifications. Commercial interests conceded that bulk buying was the only course, and as an alternative to the suggestion that the number of importers be restricted, it was agreed that merchant importers of hardware should establish a private limited-liability company to be styled Consolidated Importers (N.Z.), Ltd., among whose objects there were the provisions that it would exercise the authority delegated to it by the New Zealand Government to co-ordinate orders and arrange distribution of all imports within a limited range of Tariff items as may from time to time be agreed upon between the company and the Government, and in whose constitution it was provided that the company was formed as an emergency war measure for the purpose stated and not for any purpose of profit. The capital was fixed at a small nominal amount, and the membership embraced all importers regularly engaged in the importation of the lines (mainly hardware) which it was agreed should be consolidated. The expenses of the company were met by a levy on each importer based on the value of the goods imported to his account. The establishment of the company proved to be of great value, and as the war proceeded the necessity for programming and bulk buying became more and more strongly emphasized. This was enforced under lend-lease procurement and under procurement from the United Kingdom.

Steel of the types embracing structural, reinforcing, plates, billets, rails, and the like, but excluding sheets and tinplate, was a commodity for the wartime handling of which a special non-profit company (Steel Distributors, Ltd.) was set up. Major factors which caused the Government to become purchasers of steel were its subjection to allocation by supplying countries under Government direction, its availability under lend-lease for which Government purchase was essential, and the necessity to level prices for equivalent types in which there was wide disparity according to sources of supply and routes of transit. Because the collection of orders and the distribution of the goods on delivery could best be undertaken by those familiar with the special problems, it was considered that the position could best be met if a company were formed embracing the merchants to work in accordance with Government approval on such matters as procurement, distribution, and price. In practice the company's duties have been to collect orders and to consolidate them in a form suitable for overseas bulk buying, to clear consignments from ships on arrival and to distribute them to customers or to take them into stores supervised by the company, and to render invoices and to account for sales proceeds to the Ministry. What has proved of great value, too, has been the willingness with which officers of the company have given their expert advice on the difficult problems associated with the maintenance of New Zealand's supplies in this important commodity group.

In accordance with its policy, the Ministry revived normal commercial procurement after hostilities ceased and has not continued to purchase goods for any longer period the procurement conditions overseas have dictated. In consequence, the volume of