

1948
NEW ZEALAND

WAR ASSETS REALIZATION BOARD

REPORT FOR YEAR ENDED 31st MAY, 1948

Presented to both Houses of the General Assembly by Command of His Excellency

Wellington, 7th June, 1948.

The Right Hon. the MINISTER OF FINANCE.

SIR,—

I have the honour to submit the following report for the year ended 31st May, 1948.

1. POWERS AND FUNCTIONS OF BOARD

The War Assets Realization Board was set up by the direction of Cabinet in May, 1944, to undertake the orderly disposal of all buildings, materials, equipment, and stores, held in New Zealand or elsewhere, which are declared by the Services and Government Departments to be surplus to their requirements. The Board is now entering its fifth year of existence.

2. CONSTITUTION OF BOARD

As originally constituted and added to from time to time the Board consisted of fourteen members, but this was found to be too cumbersome a body for the effective discharge of its functions. In May, 1947, the Board was reconstituted to consist of three members only, with two associate members—one representing the Right Hon. the Minister of Finance and one representing Treasury. The personnel so appointed was as follows :—

Mr. F. R. Picot (Chairman),

Mr. F. W. Furkert,

Mr. W. N. Pharazyn,

with Mr. T. H. McCombs, M.P., and Mr. A. B. Taylor as the two associate members. During the year under review the two associate members have been replaced, the former, on his elevation to Cabinet rank, by Mr. H. E. Combs, M.P., and the latter by Mr. D. W. A. Barker.

3. ADVISORY COMMITTEES

Several Advisory Committees have been set up by the Board from time to time, the functions of such Committees being to report to the Board on all matters referred to them for investigation and to make recommendations to the Board in regard to the disposal of any stores coming within their scope. Advisory Committees are empowered, subject to the approval of the Board, to co-opt the services of representatives of trade organizations, business houses, and other bodies as may be deemed expedient. Advisory Committees so set up are as follows: (a) Buildings; (b) Motor-vehicles; (c) M.T. Parts and Accessories; (d) General Stores; (e) Mechanical Plant and Machinery; (f) Radio and Electrical Materials and Equipment; (g) Metals; (h) Aircraft and Aircraft Materials; (i) Chemicals.

4. ORGANIZATION OF BOARD

The head office of the Board is located at Wellington, with branch offices at Auckland, Wellington, and Christchurch, each in charge of a District Executive Officer. Until recently sub-branches were operating at Dunedin and Blenheim—working under Christchurch and Wellington respectively—but these have now been closed. It is anticipated that the Christchurch office should close down at the end of this year.

The activities of the Board are divided into five main sections—Buildings, Motor-vehicles and Parts, Machinery and Aircraft, Radio and Electrical, General Stores, the latter being further divided into a number of subsections each dealing with a particular group of commodities.

5. STAFF

Reference has been made in previous reports to staffing problems. The Board has had the greatest difficulty in retaining in its service an adequate and efficient staff to cope with the work of the Board. There is a natural desire on the part of members of the staff to transfer to some more permanent Department or to establish themselves in outside industry, and the Board has been, and will continue to be, faced with many transfers and resignations, in many cases involving key personnel whom the Board can ill afford to lose. In this connection it is to be noted that during the four years the Board has been in existence no fewer than 120 resignations and transfers have taken place. At the present time, apart from storemen, the staff of the Board throughout New Zealand, including the Auckland District Office, the Christchurch District Office, the Wellington District Office, and headquarters totals 97, against a total staff of 123 as at the 31st March, 1947, a reduction of 20 per cent. during the last twelve months.

6. POLICY

The general policy of the Board as laid down by Cabinet is as follows :—

- (i) To realize all assets to best advantage and by whatever methods the Board may determine from time to time as being in the best interests of the Dominion :
- (ii) To transfer, by sale or otherwise, all surplus stores under its control, in the first instance to meet the requirements of Government Departments and the domestic requirements of New Zealand generally :
- (iii) To make all surplus stores not required by the Government available for sale in lots of such size as to permit small business firms as well as large ones to participate in their purchase :
- (iv) To investigate overseas markets with a view to sale of all stores which cannot be sold in the Dominion :
- (v) To avoid the dumping on the market of surplus stores at bargain prices simply to get rid of them, without regard to the effect on normal trade, and also to avoid the other extreme of freezing or destruction of large stocks :
- (vi) Subject to the provisions of clause (v), to dispose of the maximum quantity of stores, particularly of those items which are in short production, at the earliest possible date :
- (vii) To determine selling-prices of all assets under control of the Board, and to ensure that no special concessions in prices be made except by direction of the Government.

The methods of disposal which have been adopted by the Board have been designed to achieve an orderly, rapid, and widespread distribution at fair market prices. The disposals programme has embraced the release and distribution of a wide variety of stores which were in short supply and has effected the expeditious transfer of plant and materials urgently required by Government Departments and industry generally.

Disposal procedure has been in accordance with the following :—

- (a) Stores offered in the first instances to Government Departments and semi-Government organizations.
- (b) Disposal through trade channels where possible, of commercial goods.
- (c) Sale by tender.
- (d) Sale by auction.
- (e) Sale by private treaty, only in cases where such is the only practicable course.

Most Government Departments have taken full advantage of the opportunity to take over surplus stores and materials from the Board, particularly so in the case of buildings and building-materials, motor-vehicles, plant, and machinery.

Goods released for sale to the general public have as far as possible been distributed through normal trade channels. Existing distribution machinery has thereby been taken full advantage of. Neither the Board nor the holding Departments are in a position to conduct retail sales. However, the Board has dealt direct, where possible, with charitable and welfare organizations.

Almost without exception “new” goods are offered for sale by tender before resorting to auction. Sales by tender and auction are well advertised, sales by auction being dispersed by locations as far as possible, but in most cases auctions are conducted in the locality where the stores are held in order to avoid the labour and expense of transporting them. All sales are made as far as possible on an “as is where is” basis, the cost of handling and transport being thereby reduced to a minimum.

7. CUSTODY OF STORES

Except for the purpose of housing-materials from dismantled camps and buildings, it was not originally the intention of the Board to set up a separate stores organization, all Government Departments being responsible for the holding, safeguarding, and accounting of the stores which they from time to time declare as surplus, but, consequent upon the purchase of the very large volume of stores from the United States Forces and the United Kingdom Government, it became necessary, and at short notice, to take over and staff a number of warehouses and stores at Auckland and Wellington. Following on the realization of a substantial portion of these stocks, much of the storage space has been, and is being, made available for other purposes.

8. SURPLUS STORES EX UNITED KINGDOM GOVERNMENT

Arrangements have been completed whereby United Kingdom surplus stores located in New Zealand have been purchased by the Board. Sales of these stores are proceeding satisfactorily.

9. SALES TO OVERSEAS ORGANIZATIONS

Sales to UNRRA, Netherlands East Indies, and other overseas organizations have been substantial, but have now practically ceased. Sales to 31st March, 1948, were as follows :—

	£
UNRRA	479,971
Netherlands East Indies	104,787
Other organizations	37,976
	£622,734

10. FUTURE ACTIVITIES

The Board has now been in existence for a period of four years, but, apart from buildings and motor-vehicles, the machinery for the disposal of which was already in operation on the Board being formed, the orderly disposal of other commodities did not commence until nearly a year later. It is difficult at this stage to give any reliable forecast as to how much longer the Board should remain in operation. A decision in this connection will be influenced by several factors, some of which are dealt with in the following paragraphs, but it would appear that within a reasonably short period the volume of surplus stores may be reduced to such an extent that further disposal could be undertaken by the holding Departments or by a reconstituted Stores Control Board.

Although the revenue for the past year shows a substantial reduction on the two previous years, and the indications are that there will be a further heavy drop in the coming year (see para. 11), there is still a wide variety and considerable volume of stores to be disposed of. These consist to some extent of general slow-moving stores difficult to sell and of items which have a specialized military application only and which can be expected to realize only a fraction of their original cost. It is clear too that declarations of surpluses will continue, on a reduced scale, for some time yet from several Departments, the Services in particular.

The reception and disposal of considerable quantities of valuable reparations plant and machinery (see para. 18 (b)) is likely to be spread over the next twelve months.

The Board will keep the position constantly under review in the light of declarations and disposals and will adjust the staff and general organization to provide for any falling off in the volume of activity or to conform to changed conditions.

II. PROCEEDS OF REALIZATION

The total cash receipts up to the 31st March amounted to £31,251,122. The following tables show the analyses of this figure by (a) periods, (b) commodities :—

(a) PERIODS

	£
Up to 31st March, 1945	3,178,643
1st April, 1945, to 31st March, 1946	11,269,753
1st April, 1946, to 31st March, 1947	11,071,365
1st April, 1947, to 31st March, 1948	5,431,361
Total	<u>£31,251,122</u>

(b) COMMODITIES

Commodities.	Up to 31st March, 1945.	1st April, 1945, to 31st March, 1946.	1st April, 1946, to 31st March, 1947.	1st April, 1947, to 31st March, 1948.	Total.
	£	£	£	£	£
Aircraft and spares	98	2,650	52,336	122,171	177,255
Ammunition	59,468	4,322,502	58,730	15,669	4,456,369
Artillery and small-arms	2,826	777,950	222,090	130,974	1,133,840
Buildings and land	206,932	1,304,759	1,091,164	1,938,058	4,540,913
Building-materials	48,312	275,820	332,681	169,739	826,552
Camp and kitchen equipment	3,891	63,202	56,580	80,479	204,152
Chemicals and paints	2,377	7,170	88,134	42,434	140,115
Cordage, tents, canvas	11,705	32,354	79,336	81,081	204,476
Drugs	9,523	66,623	47,879	23,983	148,008
Electrical and radio stores	1,097	242,931	1,105,071	300,998	1,650,097
Foodstuffs	144,162	148,482	3,586,046	29,499	3,908,189
Furniture and office equipment	11,987	132,880	191,293	79,016	415,176
Machinery	12,048	290,321	856,198	403,375	1,561,942
Metals	11,339	171,501	346,254	220,469	749,563
M.T. vehicles and parts	2,862,621	1,255,033	1,401,518	562,810	6,081,982
Petroleum products	991	9,920	203,815	18,186	232,912
Photo equipment and musical instruments	..	1,018	5,108	2,413	8,539
Plant, heating, and lighting	2,397	42,900	27,749	34,689	107,735
Rent and hire charges	..	44,600	50,256	76,013	170,869
Ships	15,893	76,918	199,076	121,142	413,029
Tanks and armoured vehicles	..	15,981	330,000	50	346,031
Textiles and clothing	15,722	1,851,716	461,397	562,792	2,891,627
Tools, &c.	336	32,124	39,031	114,243	185,734
Miscellaneous	54,918	100,398	149,433	122,928	427,677
On account United Kingdom Government	..	..	90,190	169,972	260,162
Reparations equipment	..	..	..	8,178	8,178
Total	3,478,643	11,269,753	11,071,365	5,431,361	31,251,122

It will be noted from tables (a) and (b) above that the revenue for the year ended 31st March, 1948, is very much less than for each of the two preceding years. While some commodities show an increase in revenue others have dropped substantially—e.g., M.T. vehicles and parts, tanks and armoured vehicles, and foodstuffs—surpluses of those commodities having been reduced to very small proportions. It is estimated that the revenue for the ensuing period will not exceed £2,000,000.

12. OPERATING-EXPENSES

The following schedule gives a summary of the Board's net operating-expenses :—

Period.	Revenue.	Operating-expenses.	Percentage of Operating-expenses to Revenue.
	£	£	
Up to 31st March, 1945	3,478,643	54,569	1·57
1st April, 1945, to 31st March, 1946	11,269,753	154,591	1·37
1st April, 1946, to 31st March, 1947	11,071,365	264,571	2·39
1st April, 1947, to 31st March, 1948	5,431,361	165,305	3·04
Totals	31,251,122	639,036	2·04

13. BUILDINGS

(a) GENERAL

Although the activities of the Buildings Section are declining the year resulted in the highest turnover since the inception of the Board. Receipts from the sale of buildings were almost double those of the previous year.

The exceptionally high return is largely due to the disposal of most of the major buildings comprising groups of store buildings, hospitals, &c., which have been taken over by the Public Works Department for general Government purposes. The value of these is approximately £1,400,000, so that, even excluding these, the revenue has been quite substantial.

This bulk transfer of buildings does not dispose of all the major buildings held by the Board. Negotiations are now in progress for the disposal of others valued at about a third of a million pounds, and credit for these should be received during the current financial year.

The policy adopted is briefly as follows, the items being in order of priority :—

- (1) Conversion of buildings on camp-sites into permanent housing for the married personnel of the establishment.
- (2) Conversion *in situ* for departmental use and transit housing.
- (3) Use of buildings on air stations for civil aviation purposes.
- (4) Removal of buildings for use by Government Departments, Hospital and Education Boards, and transit housing.
- (5) Sale of any balance by public tender.

(b) TRANSIT HOUSING

There was little activity in respect of transit housing last year. The Te Kuiti, Patea, and Hawera Borough Councils, referred to in last report under the heading of "negotiations proceeding," did not continue with their proposals. Up to date the transfers of buildings sufficient for the construction of 1,116 housing units have been effected.

(c) LINEN-FLAX FACTORIES

During the year the Blenheim and Finegand factories were sold as complete units to manufacturing industries.

All buildings at other sites have been sold with the exception of two cottages, one of which is to be sold with the land and the other is under offer to the occupier.

(d) FUEL-OIL TANKS

Additional tanks were declared surplus during the year, bringing the total up to 95 for tanks ranging from 200 gallons to 11,000 gallons capacity, and 12 for tanks over 11,000 gallons and up to 750,000 gallons capacity. All of these tanks have been sold with the exception of 9 of 8,000 gallons each which are of concrete construction and for which there is naturally a very limited market.

(e) PROCEEDS OF SALES

The proceeds from the sale of buildings up to 31st March 1948, are as follows :—

—	To Government Departments.	Other Sales.	Total.
Sales—	£	£	£
To 31st March, 1947	1,302,985	1,677,199	2,980,184
For year ended 31st March, 1948	2,062,718	779,209	2,841,927
Total sales	3,365,703	2,456,408	5,822,111*

* Buildings, £5,325,573; materials, £496,538.

The disposals as referred to above were spread as follows :—

	£
(a) Auckland district	3,423,022
(b) Wellington district	1,499,308
(c) Nelson and Marlborough district	224,119
(d) South Island (less (c))	491,720
(e) Fiji	183,942
	<u>£5,822,111</u>

14. SHIPPING

The disposal of vessels of various classes has been one of the major activities of the Board, but it is now nearing an end. The vessels include steamships, motor-ships, launches, lighters, barges, and other craft. Many of these were requisitioned during the war, others were built in New Zealand for war purposes, and some were acquired from overseas.

In the main, disposals have been carried out through the agency of the Marine Department, which has conducted the negotiations for sale and, for the most part, taken custody of the vessels pending disposal.

Requisitioned ships have been sold under an arrangement whereby the former owners were given prior right of purchase at a price based on the amount paid by the Government for the ships. If, after negotiation, a former owner failed to buy, the ship was sold by public tender. Ships other than those purchased from private owners are disposed of by tender. Selling-prices are fixed by valuation made by the Surveyors of the Marine Department and by outside valuers experienced in the construction of the particular type under disposal.

Some of the ships that were requisitioned from private owners have been retained by the Services and by Government Departments. The negotiations for the sale of vessels generally have in many cases been very protracted, and in some instances were rendered more difficult by the fact that vessels were of unsuitable type and were handed back by the United States authorities and the Service Departments in poor condition. The locally-built ships and those constructed for special war purposes were generally of types that were not easily adaptable to private or commercial use, and disposal was difficult.

Up to 31st May, 206 vessels of all classes were disposed of, the total realization being £513,615. The very few vessels now remaining are under disposal action. An analysis of the classes of vessels sold is as follows:—

Steamships	..	..	..	..	..	16
Motor-ships	..	..	..	..	..	9
Minesweepers	..	..	..	..	..	11
Tugs and tow-boats	..	..	..	..	..	24
Powered lighters	..	..	..	..	..	4
Fairmiles	..	..	..	..	..	12
Harbour-defence motor-launches	..	..	..	..	..	4
Barges and lighters	..	..	..	..	..	16
Launches and other craft	..	..	..	..	..	110
						206

15. MOTOR-VEHICLES

During the year there has been a substantial falling off in the number of cars and trucks available for disposal, and those that did come forward were mostly of War Department types or not in running order. The indications are that only a very small number of cars and trucks will be declared surplus in the future.

The established procedure of giving priority firstly to Government Departments, secondly to ex-servicemen, and then to operators has been adhered to except that, because of the condition and type of the vehicles, many sales were effected by public tender after the requirements of Government Departments had been satisfied. Proposals that in future the disposal of all motor-vehicles, other than cars, should be by tender only are now under consideration. Such method will free the Rehabilitation Department and the Transport Licensing Authorities from a great deal of work which although fully justified in the past is no longer necessary.

During the year 1,119 Bren-gun carriers were declared surplus by Army Department. Special provision was made to set aside a proportion for ex-servicemen at a fixed price per carrier and the balance were then offered for sale by tender. Up to the 31st May 977 carriers had been disposed of.

The following schedules give details of disposals up to 31st May, 1948:—

DISPOSALS BY CLASSES

	Trucks.	Cars.	Wrecks.	Motor-cycles.	Carriers.	Total.
Sales—						
To 31st May, 1947	12,109	1,512	2,609	3,747	..	19,977
Year ended 31st May, 1948	259	73	119	366	977	1,794
Total sales	12,368	1,585	2,728	4,113	977	21,771

DISTRIBUTION OF SALES

To Government Departments	..	..	..	3,116
To ex-servicemen	..	..	..	5,046
To public	..	..	..	13,609
				21,771

PROCEEDS OF SALES

Sales —				£
To 31st May, 1947	..	..	..	4,719,010
Year ended 31st May, 1948	..	..	..	231,690
				£4,950,700

16. M.T. PARTS AND ACCESSORIES : TIRES

M.T. parts are sold to the major distributing organizations at prices based on current landed costs. This system has worked smoothly and well. It has resulted in substantial clearances of surplus holdings and has ensured an equitable distribution through the trade as a whole. Used parts as they become available are disposed of by public tender. Sales to the 31st March, 1948, total £338,698. During the year all Chevrolet, G.M.C., Morris, Dodge-Fargo, and Guy Ant parts declared surplus have been disposed of. However, there are still large holdings of Ford parts and quantities for less popular makes, these including many "slow-moving" parts for which there is little or no demand.

The disposal of new tires which was until recently the function of the Ministry of Supply is now being undertaken by the Board. The new tires are mostly in sizes which do not conform to popular demand. Used tires are offered by public tender, and considerable quantities have been successfully sold.

17. GENERAL STORES SECTION

(a) GENERAL

The General Stores Section has charge of all disposals other than buildings, motor-vehicles, mechanical plant, radio and electrical materials, and aircraft. It therefore embraces a wide variety of commodities. It is assisted in its work by a General Advisory Committee and other Advisory Committees, each dealing with specified groups of commodities. The total revenue from this section up to the 31st March, 1948, approximates £10,000,000.

(b) AUCTIONS

During the year sales by auction have been carried out to an increasing extent. Sales held to 31st March, 1948, totalled 359, spread over 68 towns, and yielded £519,322.

(c) TEXTILES AND CLOTHING

Further substantial progress has been made in the disposal of surplus clothing, the realizations for the twelve months ended 31st March amounting to £562,792. Large clearances have been made to Government Departments, notably the Mental Hospitals Division, which has found a wide use for second-hand garments in good order. A great quantity of used clothing has been disposed of by auction, forty such sales having been held in widely separated areas. The proceeds of these sales have reached the figure of £45,000, and, as the demand for clothing of this nature is still good, the Board proposes to continue this method of sale for a further term.

(d) PHORMIUM ROPE

During the year under review the Board materially assisted the building industry by releasing substantial quantities of phormium rope for use in fibrous-plaster manufacture.

(e) SADDLERY

A large volume of saddlery surplus to the requirements of Army Department has been sold during the year, one auction sale alone realizing £27,000.

(f) METALS

The disposal of metals, ferrous and non-ferrous, is handled by an Advisory Committee working under the Board. In general, sales are made by dealing directly with manufacturers and trade groups at prices based on current market rates. The total revenue from the sale of metals up to the 31st March, 1948, was £749,563.

The Board still holds considerable quantities of some classes of metals which were manufactured for specific purposes during the war years—*e.g.*, stainless-steel rods in large dimensions. No market for these classes of commodities can be seen at present, but it is hoped that the general market shortage will result in further substantial clearances during the coming year.

(g) FOODSTUFFS

During the past twelve months only small parcels of various lines of foodstuffs were declared surplus to the Board, and the requisite disposal of these was arranged through the agency of the Food Controller.

The Food Controller has acted as agent for the Board in the disposal of foodstuffs over the past few years, and my Board wishes to place on record its indebtedness to the Food Controller and his staff for the ready co-operation that was always forthcoming, and appreciation for the successful manner in which foodstuffs were sold.

With the cessation of hostilities against Japan in 1945 the United States Forces had substantial quantities of food in New Zealand, and, as their reserves in forward bases were sufficient for the Forces remaining in the area, the United States Joint Purchasing Board returned the total stocks held in New Zealand to the New Zealand Government for disposal. These stocks included huge quantities of perishable goods such as carcass meat, canned meats, edible offals, fats, dairy-produce, bacon and ham, and a wide range of dry stores. Following arrangements made by the Food Controller with the Export Marketing Department, the perishable items, which included 2,000 tons of bacon and ham, were sold to London and were shipped as quickly as refrigerated shipping space became available. The disposal of dry stores presented difficulties as the huge accumulation of these items could not be absorbed by the domestic market. Although a demand existed for certain lines, the quantities available, if placed on the local market, would have upset current domestic production. Items, however, which were in short supply on the New Zealand market were sold through the trade. The balance of these dry foodstuffs, which totalled substantial quantities, was offered by the Government as a gift to the British Ministry of Food. The gift was accepted, and shipping arrangements were made accordingly.

The total revenue from foodstuffs up to 31st March, 1948, excluding the value of the gift to the United Kingdom Government was £3,908,189.

18. MECHANICAL PLANT

(a) GENERAL

All mechanical plant and machinery is handled by an Advisory Committee operating under the Board. In the case of tractors and construction plant generally, all applications to purchase are dealt with and allocations are made on the basis of essentiality of use. All things being equal, preference is given to ex-servicemen. Except in the case of Government Departments, sales are negotiated through normal trade channels at resale prices fixed by the Board, taking advantage of the services of the accredited agents of the respective trade marks, who receive a fixed rate of

commission. Sales in accordance with the above procedure have, to all intents and purposes, been concluded. Subject to the procedure as set out above, all remaining plant and machinery is disposed of by public tender or auction.

Although realizations of plant and machinery to date have been very substantial (a total of £1,561,942 to the 31st March, 1948), there still remains some considerable volume of mechanical plant and machine tools for disposal. In the main the items remaining for disposal are far less attractive than those offered in the past but it is expected that proceeds of realization will be satisfactory.

(b) GERMAN REPARATIONS

The Board is the responsible agent for the reception and disposal of the large quantities of machinery plant and machine tools acquired by the Government under the Reparations Agreement. The first shipments arrived in New Zealand late in 1947, and further shipments have arrived and are arriving at frequent intervals. Up to the 31st May, 1948, a total of 223 pieces of plant had been received, and approximately 1,200 more items are due.

Sale prices for this equipment are fixed by valuation based on current market-values. Up to 25 per cent. of the equipment is made available to Government Departments, the balance being offered for sale by tender. Sales up to 31st May, 1948, amounted to £45,000.

19. AIRCRAFT

A large number of aircraft of various types have been declared surplus by Air Department, including 193 Tiger Moths, 119 Oxfords, 490 combat machines, and 26 various, a total of 828.

Aero clubs have been given the opportunity of taking over reconditioned Tiger Moths at a flat price of £450 each. In this way 77 machines have been sold to twenty-six clubs up to date. A further 46 Tiger Moths (not reconditioned) have been sold by tender to individual buyers, realizing £6,441. The balance of 70 Tiger Moths are held in reserve in the meantime against further requirement of aero clubs.

Previous owners of aircraft purchased by Air Department have been given the opportunity of repurchasing any such machines. Up to date 19 sales have been made, realizing £6,520.

Combat machines and Oxford aircraft were sold by tender, resulting in a complete clearance. The combat machines realized £12,599 and the Oxfords £1,190.

The total revenue from sale of aircraft to date is £61,760 for 758 machines.

20. RADIO AND ELECTRICAL

The disposal of radio and electrical components and materials is handled by the Radio and Electrical Materials Advisory Committee operating under the direction of the Board. Apart from some auctions and direct sale to the public at a fixed price in some instances, disposal has been arranged through normal trade channels to traders and wholesalers approved by the Board, at prices based upon replacement cost of similar articles. This policy has produced excellent results and, through the co-operation of the radio industry, speedy and effective disposal of many lines has been effected. During the year it was realized that, as the radio industry had been reconverted to peacetime production and was no longer dependent upon the stocks held by the Board, a change in disposal policy was desirable, and it was decided that future sales would be effected by public tender and auction. The Board is, however, faced with the problem that most

of the items used in the production of domestic sets have been exhausted and the remaining stocks are in most cases not suitable as substitutes. For this reason disposals by tender have not been as great as could be desired.

The Board has continued to co-operate with the Comptroller of Customs, through the Department of Industries and Commerce, regarding the importation of radio and electrical components and materials. As surplus stocks have been reduced the Board is now able to withdraw its recommendations concerning the prohibition of licences for imports of a similar nature in respect of many items.

The proceeds of sales of radio and electrical materials up to 31st March, 1948, was £1,650,096.

21. CONCLUSION

The Board again wishes to express its thanks to all Government Departments for their continued co-operation, and also to all those gentleman who have given their time and services as members of the various Advisory Committees.

H. E. AVERY, General Manager.

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