The expenditure on stores during the year is £2,165,677 higher than for the year ended 31st March, 1937. Whilst this increase is due mainly to heavier orders placed by Government Departments as a result of increased activities, it is also, to a lesser extent, due to market increases in the prices paid for many of the items purchased both locally and overseas.

The total amounts expended during each of the past ten years are as under :-

		_	£	1			£
1929			 4,199,822	į	$1934 \dots$	 	2,417,676
1930			 4,345,030		$1935 \dots$	 	2,939,642
1931			 4,286,803		$1936 \dots$		3,251,814
1932			 2,757,214		$1937 \dots$		5,349,386
1933	٠.		 2,109,698		$1938 \dots$	 	7,515,063

Contracts.

At the 31st March, 1938, contracts arranged by the Board were in operation for the supply of the undermentioned items to all Departments:-

Batteries for motor-vehicles.

Bricks, earthenware pipes and fittings.

Brushware—painters' and general.

Candles, soap, and soda.

Cement.

Coal, coke, and firewood.

Cream-separators.

Cyclostyle stencils and correcting fluid.

Diesel engines for driving milking-plant, &c.

Disinfectant.

Electric lamps.

Fencing-wire.

Galvanized sheets, corrugated and flat.

Ink—cyclostyle, fountain-pen, and writing.

Milking-machines.

Motor-vehicle lubricating oils and greases.

Motor-spirit and kerosene.

Motor-tires.

Oil fuel and lubricating-oil for Diesel engines.

Oxygen and acetylene gases.

Paper, carbon, toilet, and wrapping.

Polish, metal, floor, and boot.

Sensitized papers and linens.

Spare parts for motor-vehicles.

Superphosphate and compound superphosphate fertilizers.

Twine.

Typewriters and typewriter-ribbons.

Uniform clothing.

In addition to the above, numerous departmental contracts were also arranged throughout the year, the principal items concerned being :-

Aero-engine lubricating-oil.

Artificial limbs.

Aviation-spirit.

Boots and shoes for Army and Air Departments.

Crockery for Mental Hospitals Department.

Foodstuffs (sugar, milk, bread, butter, meat, fish, hams, and bacon, &c.).

Oil fuel for Government ships. Lubricating-oil for m.v. "Maui Pomare."

Medicines for Native schools.

Samoan banana-cases.

Skip-grease and lubricating-oils for Mines Department.

Tobacco for Mental Hospitals Department.

Toothbrushes for Naval ratings.

The service rendered by contractors during the year has, in general, been efficient and satisfactory.

PREFERENCE TO GOODS OF NEW ZEALAND AND BRITISH MANUFACTURE.

The policy of preference to goods of New Zealand and British manufacture has been maintained

throughout the year. In the purchase of stores for Government use special consideration is given to locally manufactured items and, provided New Zealand manufactures can supply goods of a satisfactory quality at competitive prices, after allowing the usual preference, they can be assured of the Board's support.

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