

4. *Regulations.* The Board's regulations have been prepared and are now with the Crown Law Office for revision prior to being gazetted.

5. *Organization.* The head office of the Board is located at Wellington, and branch offices at Auckland and Christchurch, each in charge of a District Executive Officer. The activities of the Board are divided into three main sections—Buildings, &c., Motor-vehicles, General Stores, the latter being further divided into a number of subsections each dealing with a particular group of commodities.

6. *Advisory Committees.* Several Advisory Committees have been set up by the Board, 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.

The Advisory Committees which have been set up are (a) Buildings, (b) Motor-vehicles, (c) General Stores, (d) Mechanical Plant, (e) Radio Equipment and Materials, (f) Metals, and (g) District Committees at Auckland, Wellington, and Christchurch, each consisting of representatives of Treasury, Public Works, Army, and Air Departments.

ACCOMMODATION AND STAFF

7. *Office Accommodation.* With the expansion of the Board's activities, the present accommodation provided in the Defence Services Building is quite inadequate and some further provision must be made in the very near future. The office accommodation at Auckland and Christchurch is satisfactory.

8. *Storage Accommodation.*—It is not the policy of the Board to build up a large stores organization, the holding Departments being required to hold their own surpluses. However, certain storage space is required at various points to take charge of a variety of stores ex dismantled camps and other installations. As far as possible, Public Works Department stores are used for this purpose, but that is not possible at Auckland, Wellington, Christchurch, and Blenheim. At the last three places the Board is in possession of satisfactory storage for immediate needs, but provision of a suitable store at Auckland is an urgent necessity. As no vacant storage is available, arrangements have been made to use suitable buildings from dismantled camps and re-erect them on a vacant site.

9. *Staff.*—The work of the Board has been seriously hampered for want of suitable staff. The Board had to start from "scratch," and although we were fortunate in securing several senior officers from other Government Departments for executive positions, much difficulty has been encountered in securing staff with the requisite experience. It is essential that the Board's staff should include a certain number of highly trained men with a sound knowledge and wide experience in the handling of the many and varied commodities.

GENERAL

10. *Custody of Surplus Stores.*—Except for the purpose of housing materials from dismantled camps and buildings, &c., it is not the intention of the Board to set up a separate stores organization. As a general rule, and except by special arrangements, Government Departments will continue to hold, safeguard, and account for all stores which they declare to the Board as being surplus to requirements. They will receive disposal instructions from the Board, and will then effect delivery to the purchasers, receive the proceeds of sales, and account for them in accordance with a special Treasury instruction governing the matter.

11. (a) *Lend-lease Stores.*—The disposal of all surplus stores of lend-lease origin held by Government Departments is being carried out only after consultation and by agreement with the New Zealand representative of the United States Foreign Economic Administration.

(b) *United States Joint Purchasing Board.*—All stores, of whatever origin, which becomes surplus to the requirements of the United States Forces in New Zealand are declared to the Board through the United States Joint Purchasing Board, and then become available for disposal along with surpluses from New Zealand Government Departments.

12. *"Controlled" Stores: Delegation of Authority.*—The Board has delegated to the Service Departments authority to negotiate with the Admiralty, War Office, Air Ministry, Eastern Group Supply Council, and other Governments in respect to "controlled stores"—i.e., equipment, &c., peculiar to the Armed Services. In this connection a most satisfactory arrangement has been made with the War Office as to the basis on which charges are to be made against the United Kingdom Government for equipment supplied from New Zealand surplus holdings.

13. *Ministry of Supply: Disposal Functions.*—Stores held and being procured by the Ministry of Supply from time to time are not necessarily "surplus stores," but with certain exceptions are committed to or required to meet regular trade demands. It has therefore been agreed that the Ministry of Supply will continue to dispose of such stores, but if and when it should cease to function as the procurement agency for any particular commodity the responsibility for disposal of surplus holdings of such commodity will then pass to the Board.

14. *M.T. Parts and Tires.* Prior to the setting-up of the Board, arrangements had been concluded between the Ministry of Supply and Army Department whereby the disposal of surplus M.T. parts and tires was undertaken by the Commissioner of Supply. Responsibility for the disposal of such stores has not yet been transferred to the Board, but this will be done at an early date.

15. *Services' Vegetable Production Projects.*—Authority has been delegated to the Department of Agriculture to dispose of farm implements and equipment (other than motor vehicles and tractors and allied equipment) which are surplus on the closing-down of various S.V.P. projects. The results have been entirely satisfactory.