

Consisting of two officers of Treasury and two officers of the Ministry of Supply, it was originally set up to fix the prices at which lend-lease goods and other goods imported by the Ministry for which insufficient documents were available passed into use. It quickly developed, however, to be the clearing authority for any transactions of the Ministry which involved problems of a financial nature. While these were widely varied, they can be classified under the following broad headings :—

(1) *Prices*.—Under wartime conditions many circumstances arose to cause the cost price of goods procured to be inappropriate as the basis on which to sell them in New Zealand. Every case for a reduction in price was carefully examined by the Committee. Such price reductions as were made were granted mainly because of the effect of the Government's stabilization policy, under which there was a limit in any case to the price which could be charged for stabilized goods. Other claims arose where prices were pooled from varying sources of supply or where extraordinary charges were incurred due to circumstances of war.

(2) *Distribution of Commodities*.—Distribution agreements with master agents, and the remuneration payable thereunder, have been supervised by the Committee.

(3) *Approval of Orders*.—From September, 1943, onwards the Committee was the authority supervising the terms of ordering goods procured under Government orders overseas. A system of order forms embodying proper commercial protective clauses was introduced, and this made clear the terms on which transactions were entered into between the Ministry and the trader. Orders handled in this way totalled more than £27,000,000.

(4) *Claims against the Department*.—Another important part of the Committee's work has been the scrutiny of miscellaneous trading claims against the Ministry, including those arising from damaged consignments, disputed orders, liabilities under contracts, agents' commissions on inwards consignments, and similar matters.

(5) *Disposal of Stocks*.—The Committee has supervised the disposal of the Ministry's reserve stocks. In general, the disposal channels have been through normal traders.

(6) *General*.—A variety of other matters relating to finance or accounting have also been dealt with by the Committee as they have presented problems.

It will be evident that the scope of the Committee's functions have been very wide, and since the first meeting on the 16th April, 1943, 145 meetings have been held, at which more than 600 different recommendations have been made relating to practically every type of commodity.

It is intended to continue the functions of the Committee until all consignments against old overseas orders have arrived and all stocks on hand have been disposed of by the Department.

Under war conditions, when it was essential to carry on only those services necessary for the war effort, it was consistent with economy in the use of resources for the Government to enlist the aid of established business houses in distributing the commodities other than for direct war use which, under the demands of the emergency, it was necessary for the Government to procure. Under this policy these direct advantages were enjoyed :—

(a) Technical advice was available where it was most helpful.

(b) Existing channels of trade were not disturbed.

(c) Existing facilities of staff, procedures, and accommodation of the firms concerned could be availed of.

Agency agreements were made to cover a great variety of commodities, and the agreements themselves differed substantially in the obligations which they imposed. In some instances agreements were made with a single company acting for the group