

VIII SUPPLY

C253582

1. Naval Stores

The total value of Contract Demands for Naval Stores placed with the Department of Munitions and Supply during the current quarter amounted to \$15,876,772.

A certain re-organization and re-allocation of work have taken place in the Naval Store Division and were put into effect as from the 1st December 1943. The Naval Store Division is now divided into main branches, namely, Special Procurement and General Procurement. The General Procurement Branch has been sub-divided again into four suitable Divisions according to material. In the future, the Special Procurement Section will carry out its own follow-up activities and each of the four sections under General Procurement will do the same. The Follow-up Section as a whole has been abolished entirely. As a result of these changes it has been possible to reduce the staff by five employees.

2. (A) New Construction

During the current quarter forty-five ships have been supplied with stores on commissioning. The type and number of ships are as follows:

R.C.N. Frigates	11
R.C.N. Algerines	2
R.N. Algerines	6
R.C.N. S.S. Corvette	2
R.N. 105' Minesweepers	2
R.C.N. Fairmiles	7
R.C.N. 400 H.P. Tugs	3
R.C.N. 1000 H.P. Tugs	1
R.C.N. Oil Tankers	2
R.N. Wood Trawler	2

The above has completed all commissioning for 1943 in the Great Lakes Area and the St. Lawrence Area with a possible exception of one R.C.N. Frigate in Quebec.

The question of "free issue" stores to shipyards has been the subject of discussion with the Department of Munitions and Supply. As a result of these conversations, the Department of Munitions and Supply appointed Mr. K.J. Kelly to act as a liaison officer between his department and the Royal Canadian Navy. Mr. Kelly is examining the underlying causes of backward deliveries and also endeavouring to improve the situation in regard to the supply of spare gear and stores which are the responsibility of the shipbuilders.

Arrangements have been made with the D.N.E.D. to assume responsibility for the checking of engineers' spare gear on New Construction ships and the follow-up with contractors of the items which have not been delivered. Lt. Cdr. (E) Parker has been detailed to supervise these activities. This officer will now be responsible for checking and