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DEFENCE CONFERENCE 1939.

Parliament Buildings,

WELLINGTON, C.1.

S E C R E T.

21st April, 1939.

MEMORANDUM for:-

D.C.C. (SUPPLY) 5 - NOTES OF PROCEEDINGS OF THE  
THIRD MEETING OF THE COMMITTEE ON SUPPLY HELD ON  
THURSDAY, 20TH APRIL, 1939 - FIRST DRAFT.

With reference to the above paper which has  
already been forwarded to you, I have to inform you that this has  
been replaced by a final edition which is forwarded herewith.

I shall be glad, therefore, if you will destroy  
the copy of the first edition in your possession.

*W. J. Stevens*  
Secretary,

Defence Conference 1939.

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21st April, 1939.

**FINAL EDITION.**

**DEFENCE CONFERENCE, 1939.**

It is requested that special care may be taken to ensure the secrecy of this document.

**SECRET.**

Notes of Proceedings of the Third Meeting of the Committee on Supply held on Thursday, 20th April, 1939.

PRESENT: Hon. D.G. Sullivan - Chairman  
 L.J. Schmitt Esq.  
 J.R. Middleton Esq.  
 Capt. W.D. McN. Graham, R.A.  
 N.E. Costar Esq.  
 Commander J.C.D. Esdaile, R.A.N.  
 Colonel O.H. Mead, D.S.O.  
 Wing-Commander A. de T. Nevill, R.N.Z.A.F.  
 Commander A.B. Fanshawe, R.N.  
 Dr. A.R.F. Mackay.

H.G. Nicholls Esq. - Secretary.

1. The Committee resumed at 10.10 a.m.
2. The final draft of the Committee's report was dealt with in detail. Paragraph 3 of the report as set out in paragraph 16 of the Notes of the Proceedings of the second day (18th April) was further discussed. The New Zealand representatives stated that the paragraph in its present form was not acceptable and suggested the following alternative:-

3. New Zealand is totally lacking in supplies of certain commodities for use in war. These essential Stocks, details of which are a matter for further investigation, should be built up in the near future. The Committee recognises that the obtaining of these necessary supplies from overseas will be dependent upon sterling funds being available.

A Sub-Committee consisting of the Chairman, Captain Graham and Commander Esdaile was appointed to discuss the paragraph further after consultation with their delegations and to decide upon the form in which this paragraph should appear in the final report.

3. It was decided that the sentence -

"The New Zealand members further pointed out that if any armament production capacity were to be inaugurated in New Zealand its creation must depend upon the provision of basic industries, such as an iron and steel industry."

should be inserted in Paragraph 23.

4. The Committee rose at 1 p.m., the Chairman thanking members for their co-operation and courtesy in the consideration of the report on the Supply section of the Conference Agenda.

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