

It should be emphasized that the expenditure will not by any means be devoted wholly to new construction, sometimes termed capital works. On land-settlement schemes, highways, electrical works, and in State forests, farming, maintenance, operating, and working proceed contemporaneously with construction and extensions, and it would not give the whole picture of expenditure on public works if a part only of the outlays were discussed.

The Government is exercising every care to ensure that, other things being equal, New Zealand materials are built in to the construction, that importations are restricted to essentials, and that the best value is obtained for the moneys expended.

## SECONDARY INDUSTRIES.

**Secondary industries essential.**

If this Dominion is to possess a properly balanced economy it is essential that adequate attention should be given to the extension of secondary industries. Considerable progress has already been made in this connection, and every encouragement is given to the establishment of new industries and to the extension of existing ones, provided that on investigation they appear to be economically justifiable. To this end the Bureau of Industry set up in terms of the Industrial Efficiency Act, 1936, has made rapid progress in carrying out its statutory functions. The Act, honourable members may recollect, contains provision for the registration and licensing of industries, and empowers the Bureau of Industry to prepare plans for the reorganization of existing industries, the adoption of such plans, however, being entirely a matter for decision by the interests concerned.

**Iron and steel works.**

Basic industries naturally receive pride of place, as it is upon their success that the prosperity of so many others depends. A matter of far-reaching importance in this connection was the recent decision of the Government, after the most exhaustive consideration of authoritative reports, to establish an iron and steel works in the Dominion.

The establishment of an industry of the magnitude required, involves a large amount of investigational work on the ore-bodies, coal-supplies, and other minerals before the exact type of plant required and many other factors vital to the success of the industry can be determined with certainty. This preliminary work is now being pushed forward as quickly as possible.

A glance at other countries will show that steelworks give rise to numerous other industries manufacturing a wide variety of articles in which iron or steel is the raw material. In fact, it is not too much to say that iron and steel works are essential if our secondary industries are to be developed to a stage required to give us a properly balanced economy.

**Industrial Efficiency Act.**

The powers of licensing given by the Industrial Efficiency Act are designed to secure greater efficiency in any industry for the benefit of both consumers and producers by regulating new entrants into the industry concerned in accordance with economic considerations and by preventing the establishment of redundant units. The aim of the Government in this connection is to ensure a maximum measure of goods and of services to the consumer.

**Bureau of Industry.**

Although the Bureau has considered a number of applications from industries and individuals desiring the protection which licensing affords, there have been only two of these granted during the year ended 30th April, 1938, bringing the total number of industries licensed to sixteen. In each case a full examination of the particular industry is made, and the Bureau has recommended that an industry be brought within the licensing provisions of the Act only where it was convinced that licensing would be in the best interests of the industry and of the consuming public.

Two industrial plans prepared in accordance with Part II of the Industrial Efficiency Act have recently been put into operation, and Industrial Committees to administer those plans have been appointed. The industries concerned are flax and pharmacy. Pending a recovery in overseas prices, flax growers and millers have been assisted by subsidies and other means, while good progress has been made in regard to research and planting. The advantages of this latter type of assistance cannot, of course, be enjoyed immediately. In regard to the pharmacy industry, the plan of reorganization drafted by the Bureau was unanimously