

works which are to be carried out by private interests. The question of overseas funds is also involved in regard to plant and materials required for construction which have to be obtained from overseas.

(b) *Man-power*.—The policy of full employment virtually means that budgeting must be done on a man-power basis. It will be the responsibility of the National Employment Service to supply advance information as to the numbers of men who will be likely to be available for employment in the building and constructional industries, after due allowance is made for the employment position in primary and secondary industries and services.

(c) *Materials*.—At the present time material supplies constitute the most serious problem. Serious shortages of almost every critical commodity have made it necessary for the Ministry of Works to survey the whole material supply position in the light of future demands as indicated by proposals which have been put forward, and to prepare recommendations for Government consideration as to the steps necessary to increase production or to supplement local resources by imports from overseas.

During the immediate post-war period there is not likely to be much trouble in the finding of finance, so that the problem resolves itself into equating the essential works to the man-power and material available. This must be done on a national basis and not in regard to Government works alone, and brings up immediately the additional problem of what proportion of the constructional potential should be utilized by private enterprise as against the construction of local-body and Government works.

After a very careful review of the position it has been found necessary to divide all the works over which the Government has direct control (those for which they find the whole of the money or a substantial portion by way of subsidy) into two main classes—works which are absolutely essential and must be carried out at once (hydro-electric works, housing, and certain primary productive works are in this category), and works of a developmental character, the construction of which, even at some sacrifice, can be postponed.

The ultimate end in view is to obtain some measure of stability within the building industry and to offset any effects which may arise from cyclical booms and depressions. The building industry has always been very susceptible to these, and, as far as it can be arranged, Government-sponsored works should in future be utilized as a reservoir to be drawn upon in order to keep the level of investment for both private and public constructional works as stable as possible.

In arranging for works programmes it is necessary to give some consideration to the spread of employment created by the prosecution of works regionally through New Zealand. If this is not done it will be necessary to face up to the transport of people away from their homes with added expense and inconvenience. At the same time it should be pointed out that in the interests of the country generally some considerable movement of selected classes of workmen will in the future be unavoidable.

To summarize the position in regard to public-works programming, it is proposed to attack the problem on the following basis:—

- (a) To ascertain the number of workmen each year ahead who will be available for constructional work after the claims of other interests have been considered;
- (b) To cover the employment of this labour force by the appropriation of sufficient funds;
- (c) To make such adjustments in (a) and (b) as are necessary to equate the programme of work to the material supply available, and take such steps as are necessary to secure an increase in material supply either by production or by importation.