

The fact that the principal trading of Picot Brothers' business was in lines such as butter, eggs, honey, bacon, and cheese meant that the Government were immediately possessed of an organization giving a complete range of service in the handling and distribution of primary foodstuffs in the capital city of the Dominion.

At the time of the change-over Picot Brothers had two branches operating outside Wellington, one in Hastings and the other in Palmerston North. In view of the fact that the co-operative dairy interests in Hawke's Bay desired to undertake their own local marketing, the Government in their endeavour to assist co-operative servicing units of distribution transferred its branch in Hastings to them. The branch was taken over from the Internal Marketing Branch on the same basis and terms as the Government had acquired it from Picot Brothers, Ltd., so that neither profit nor loss resulted to the Government. Subject to the Government's approval of prices and conditions, the new Hawke's Bay company becomes the sole distributor of butter in that area.

The foundation is therefore laid for the Government to superintend and set a standard of efficiency and economy in transferring the produce of the land to the consuming public as economically as possible, and, with this direct influence on the various units handling our produce, it will be the policy of the Internal Marketing Branch to investigate and determine methods that will narrow the margin of costs between producer and consumer.

The new organization has already done much useful work both as a controlling factor in the distribution of primary foodstuffs and in organizing various sections of the Dominion's primary industries for more orderly and scientific methods of distribution. It is expected that the first year's trading activities of the Branch will show a surplus.

Butter and  
cheese.

In fixing prices under the Internal Marketing Regulations the Government are charged with ensuring that the prices received on the local market for butter and cheese are such as will ensure that the efficient dairy-farmer shall receive an pay-out equal to that made for butter and cheese for export.

Honey  
and eggs.

Inquiries are under way to ensure that the maximum advantage of national marketing shall also be made available to the producers of honey and eggs, and to provide for the supply of these commodities to the Dominion consumers at reasonable prices.

### INDUSTRIAL EFFICIENCY.

To give effect to the Government's industrial policy the Industrial Efficiency Act was passed in the first session of the present Parliament. By it the Government were empowered to institute measures that were essential before anything in the nature of economic planning could be attempted. The keynote of its provisions is co-ordination of existing units and the encouragement of new industries with the object of eliminating economic waste and of giving a conscious direction to the productive energies of the country.

Overlapping of  
industries.

It was clear from the most cursory view of our secondary industries, in both the productive and distributive fields, that there was a great deal of overlapping in particular industries, giving rise to wasteful competition that fell with full effect upon the ultimate consumer. It was found that price-cutting was just as disastrous in its social effects as the monopoly organization of industry, and a system of licensing of industrial units was introduced so as to ensure equity and a fair return to those legitimately engaged in trade and industry.

Bureau of  
Industry.

The Bureau of Industry was set up as the working instrument through which plans of reorganization could be formulated and developed and new industries fostered. The Bureau has been functioning for eight months and a great deal of preliminary work has been done. Fifteen industries have been gazetted by the