

To provide employment for our rising population available for other than primary pursuits and to enable the Dominion to hold an effective place among the nations bordering the Pacific, the opportunities for industrial expansion in harmony with our increasing population cannot be neglected because of non-availability of certain raw materials within the Dominion's natural resources. Nor should they be neglected because of the present heavy demands for labour.

Opinions are sometimes expressed that the present is an inopportune time in which to extend our industrial activity because of strains on man-power, building, and other resources.

It is true that at present there are very heavy demands for man-power, but it is also true that substantial factors contributing to this state of affairs are not of a permanent character. The war has left belligerent nations very short of many essential lines of goods and services, while wartime savings and high rates of remuneration make it possible for purchasers to impose heavy demands for goods and services of great variety. The reorganization of industry and trade to recover the ground lost in war and to resume peacetime functions in many cases involve great difficulties, and even after reconversion of plants has been achieved essential materials may not be available. Relaxation of controls on man-power led to some workers leaving employment, while others changed their occupations. These and other factors, which are essentially of a short-term character, exercise a strong influence on the present situation, but, with the knowledge that a considerable period must elapse between the time when an industrial unit is planned and when it is functioning, it seems sounder policy to have industrial plants available for use when the present abnormal factors have receded than to start then to look for employment possibilities.

ALLOCATION OF FUNDS AVAILABLE FOR IMPORTS AND TERMS OF TRADE

Administratively, the necessary co-ordination between the operations of local manufacturers on the one hand, and of importers on the other, to meet local demands is achieved by the arrangement whereunder the Comptroller of Customs refers to this Department applications for import licenses embracing plant and machinery, raw materials for use in manufacture, and finished products of types produced in New Zealand. Many factors have combined to enable the Department to take a widely informed view in carrying out its functions in this respect. Not only is the work so organized that particular officers are able to concentrate their attention on a section of products with the consequence that they become familiar with details of local production and of imports, but these officers also enjoy the advantage accruing from their experience gained when the Ministry of Supply became the actual importer or purchaser of so many of these products. Another procedure under which an informed view can be obtained is that of giving applicants for licenses the opportunity to meet the departmental Committee concerned (known as the Industries Committee) to discuss the applications if they or the Committee so desire.

Difficulties attendant upon the supply of goods are dealt with elsewhere in this report, but it is appropriate to state here that one of the objectives at present uppermost in guiding the Committee's policy is the desire to make goods available either by importation or by local production to meet consumption needs. Because of the pressure of purchasing-power against available supplies, the allocation of overseas funds to assure appropriate shares to purchasers of capital goods, producers' materials, and consumer goods is a matter of considerable importance to which great care is given. This matter has become more important because prices for goods imported by New Zealand have increased more since 1939 than have the prices obtained by this country for its exports.