

Thus for a similar volume of exports we have been able to purchase a decreasing volume of imports. This affects the purchasing-power of our apparently substantial overseas funds. A similar development, which it is interesting to note, was experienced in the intra-war period. If we take the year 1928-29 as the basis we see, according to information derived by the Government Statistician, that the following changes in the New Zealand prices of farm products and of imported goods occurred :—

- (1) Farm products prices fell by nearly 50 per cent. between 1928-29 and 1932-33. When import control was introduced in 1938-39, farm products prices were still 21 per cent. below their 1928-29 level.
- (2) Import prices were only 14 per cent. lower in 1932 than they were in 1928, and in 1938 were 10 per cent. below the 1928 level.

These movements of relative prices meant that before the adoption of import control the purchasing-power derived from farm produce exported had fallen considerably and that a given quantity of farm produce paid for a smaller quantity of imports than in pre-depression years. With the decline in purchasing-power made available by exports and the depletion of overseas funds available for obtaining imported goods, the expansion of secondary industry made it possible to divert the use of available funds to the importation of those commodities of which import was essential, while the remaining consumers' requirements were left in the hands of local manufacturers. In the years 1939-44 the purchasing-power of exports measured in terms of goods imported fell still further, and though offset to a certain extent, firstly by the granting of lump-sum payments to meet increased cost of imports, and secondly by increased farm production within New Zealand, our exports are now able to buy substantially less than the quantity of goods obtainable for a similar volume of farm production in immediate pre-war years.

A study of relevant price movements indicates that the general increase in prices for locally manufactured commodities has not been greater since the depression years than the general increase in prices for imported commodities. Indices have not yet been compiled for periods later than 1943-44, but tentative figures suggest increases in prices for 1944 imports, with a lesser increase in that year for locally manufactured commodities. The deductions from these data provide justification for the utilization of existing resources of capital and labour within New Zealand on the production locally of commodities suited to New Zealand's industrial set-up. They serve, too, to signify that industrial development under import licensing has not had undesirable effects on prices of locally manufactured goods. The analysis does emphasize, however, the importance which attaches to ensuring that goods reach this country in the quantities and of the types best suited for our economy.

ADMINISTRATION OF LICENSING PROCEDURES FOR PLANT, MATERIAL, ETC.

It is through the functions of the Industries Committee that machinery is provided whereby conflicting claims can be determined on questions which may arise concerning such matters as priorities to funds for establishing and expanding industries and for providing materials for them. Other questions of financial import arise in connection with the requirements of the Registrar of Companies where the issue of new share capital is proposed in consequence of expanding existing industrial units or of setting up new ones. Liaison between the Department and the Registrar is designed to remove any inconvenience to the parties which may otherwise result. The possibilities of securing labour, buildings, and power are all factors taken into account when the Committee is considering these questions, and the merits of proposals in contributing to the rehabilitation of servicemen are fully considered.