

It is true that housing and accommodation difficulties are preventing some married couples from undertaking farm work, and some men do actually leave farming on marriage due to the fact that houses are not available. This, however, is not a problem only of the recent war years, but has been existent for some years. The Director of Employment continues :—

A consideration of the various points set out above leads to the conclusion that the supply of permanent farm labour is to-day very nearly equal with the demand. As soon as farm machinery becomes more fully available it is to be expected that further mechanization will take place, and this is likely to offset very largely any increase in demand for permanent labour resulting from further increase in the area under cultivation.

From the evidence available there is, therefore, no substantial case for the immigration of permanent farm hands in any number. As the Director of Employment states :—

With the present overall shortage of labour, the provision of seasonal labour for farming is likely to present some difficulties, although the experience of the past season suggests that these will not be great. . . . No case can be held for the specific immigration of seasonal farm workers.

### III. SECONDARY INDUSTRIES

The most important development which is taking place in New Zealand at the present time is the expansion of secondary industries. The absolute importance of agriculture has not declined, rather it has continued to expand, but the potential relative importance of secondary industries is much greater. As has been shown previously, this development cannot be accounted for by any single factor. World conditions during and subsequent to the depression, and later, the world war forced New Zealand to adopt certain measures to provide itself with the requisite industrial products. Particularly important in this regard has been the monetary and financial conditions existing in the world since about 1931. The instability of the foreign exchanges and the non-availability of overseas funds resulted in certain exchange adjustments, which resulted in some reduction of certain classes of imports. These facts, coupled with a positive tariff policy as from approximately 1933, together with the administration of the import rationing proposals as from the end of 1938, gave very material protection to many industries in the Dominion.

Even before the last war there was evidence of major expansion in certain directions, particularly in the metal-working, engineering, and clothing fields. The war introduced another important factor. The absolute non-availability of certain classes of goods forced New Zealand to invest considerable sums of money in heavy capital equipment, which, in the first place, was devoted entirely to war purposes, either directly for the supply of munitions and equipment of the Armed Forces, or to supply the civilian wartime requirements. Much of this capital equipment remains, and a good proportion of it can be turned to peacetime requirements. Among such developments can be mentioned the munition-making plants, the linen-flax plants, some dehydration plants, and the expansion of the textile and clothing industry.

Another very important factor has been the stabilization policy as pursued in New Zealand which has resulted in keeping down costs in New Zealand relative to the costs overseas. In England and America costs of all types have risen very considerably, with the result that the comparative cost structure in New Zealand is now definitely in favour of the New Zealand manufacturer, at least in many lines. There was some evidence before the Committee, for instance, that in certain commercial lines New Zealand was able to export manufactured goods, even to America, on a competitive basis.