

Standard of Living

Our standard of living depends upon the quantity of goods and services available for consumption. Adequate purchasing power is required to enable the people to obtain goods, but at present it is clear that purchasing power is excessive, relative to the available supply of goods. On this point it is interesting to note that between 1938-39 and 1946-47, total wage and salary payments, when corrected to show "real" earnings after allowing for changes in the cost of living, increased as follows: 37 per cent. in the United Kingdom; 41 per cent. in Australia; 45 per cent. in New Zealand.

In the circumstances, it is the quantity or volume of production that is the vital factor. Statistics show that while there has been a substantial increase in the value of production in recent years there has been a falling-off in volume, as shown by the following statistics:—

Year ended 30th June,	Production.	Exports.	Imports.	Goods available for Consumption in New Zealand.	
				Total.	Per Head of Population.
1938-39	100	100	100	100	100
1939-40	105	106	84	96	95
1940-41	112	112	69	95	94
1941-42	110	109	58	88	88
1942-43	109	116	58	85	84
1943-44	107	128	68	83	82
1944-45	110*	146	69*	78*	76*
1945-46	105*	115	78*	89*	83*

* Advance Estimates.

It will be observed that while production is now slightly above that for 1938-39, it has fallen over the last few years, and this applies particularly to factory production, the index figures for which were 129 for 1943-44 and only 111 (estimated) for 1946-47. Exports have generally been maintained and imports have increased, but, as everyone is aware, they have been well down throughout the war, and for 1945-46 they were only about three-quarters of the volume of 1938-39. The consequence is that in the aggregate, goods available for consumption in New Zealand during 1945-46 were only 89 per cent. of what was available in 1938-39, and on a per head of population basis the percentage is only 83 per cent. This means that on the average each person could obtain only about four-fifths of the goods available to him or her in 1938-39. Whatever might be done in the way of increasing money incomes cannot alter that fact, which is the real measure of our general standard of living. A considerable factor in our present lower standard lies in our inability to obtain