

SECTION 7.—IMPORT LICENSING SYSTEM IN RELATION TO INDUSTRY

89. The need for the effective co-ordination of domestic factory production with import demands is recognized as an essential factor in a policy of import selection.

90. This has been achieved in practice, through the machinery of a special committee—the Industries Committee—set up within this Department, and having the responsibility of advising in relation to the import licensing system, in so far as industry in New Zealand is concerned, either directly or indirectly. The procedure involves reference by the Customs Department to this Department of import licence applications in respect of industrial plant and raw materials, and finished products of types produced in this country. Under this arrangement the whole of the departmental organization is thus available to the Industries Committee in the exercise of its functions, and this, coupled with the fact that a close liaison is maintained with other Government agencies concerned—such as the Registrar of Companies, the Labour and National Service Department, and the Building Controller—ensures that the information on which decisions of the Committee are based embraces all material facts. Decisions are conveyed in the form of a recommendation to the Comptroller of Customs.

91. The policy of the Committee involves consideration being given to special factors, such as the conservation of overseas funds, particularly in relation to hard currency areas, the relative availability of locally manufactured and imported products, the importance of the local product to the economy of New Zealand, and the relative interests of domestic industry and the consuming public. Due regard is also had to aspects such as the effect of decisions on the rehabilitation of ex-servicemen and, in cases where industrial development is involved, the effect in relation to capitalization, labour, power, and building requirements.

SECTION 8.—INDUSTRIAL RAW MATERIALS AND THE SUPPLY POSITION GENERALLY

92. This Department is intimately concerned, directly or indirectly, with the maintenance of adequate and regular supplies of raw materials and finished goods essential to New Zealand's domestic economy.

93. It is, perhaps, appropriate to record here that the unusual supply conditions created during the war were met by the gazetting of the Supply Control Emergency Regulations 1939, as amended in 1940 and 1943. These regulations, *inter alia*, established the machinery for bulk importation and distribution by the Government, and, whilst it is the Government's desire to revoke emergency legislation generally at the earliest possible moment, it will probably be necessary, in the meantime and until world supply conditions return to a more stable level, to continue these regulations in force.

94. There has been during the past year a further deterioration in the overseas supply position of many important materials and commodities essential to New Zealand's economy. On occasions the shortage of certain materials in New Zealand has reached a critical stage, hampering production and creating temporary pockets of unemployment.

95. Unceasing efforts have been made by the Department throughout the year to correct these deficiencies, and full advantage has been taken of the overseas organization, both as a means of keeping local industry in touch with alternative sources of supply, and also—when the occasion demanded—for the purpose of arranging direct Government procurement. Full support has been given to import licence applications in respect of essential items in short supply on production of satisfactory evidence of availability. Wherever possible, efforts have been made to satisfy requirements from sterling sources, but, where necessary, recourse has been had to hard currency areas.

96. It has been the practice generally, in the case of materials in world short supply, for such to be the subject of international allocation or quota controls in the supplying countries, and interests of New Zealand have been continuously watched by maintaining the closest liaison with the overseas authorities administering these controls.