

REPORT

PART I.—THE INDUSTRIAL POSITION OVER THE TWELVE MONTHS

SECTION 1.—EMPLOYMENT LEVELS AND TRENDS

(1) The standard of living possible for New Zealand's population of one and four-fifths millions is entirely dependent on the volume of goods and services produced by her labour force of 710,600 men and women. The size of this body of workers, its age and sex composition, its distribution geographically and over industry, and the efficiency of its individual members are all important determinants of the volume of goods and services it is possible to produce in a given year. This possible volume of production is reduced when there are losses of working-time due to absenteeism, short time, between-job unemployment, sickness, accidents, excessive labour turnover, and industrial unrest, or losses of efficiency due to faulty training, lack of incentive, and inefficient management. On the other hand, it is increased by such things as the working of overtime and increased efficiency in management and plant. Yearly output of goods and services depends, then, on—

- (a) The size of the labour force.
- (b) Its distribution.
- (c) The average number of hours worked per employee.
- (d) The output per man-hour.

(2) Obvious though this statement may be, it is well worth stressing as a background to the annual report of the Department of Labour and Employment, which is concerned with each of the four all-important factors just listed. The activities of the Department in respect of each of these factors is dealt with in detail in the various sections of this report. It is appropriate here to trace in broad terms the connection between them and the standard of living and general welfare of the population. The figures quoted in the next few paragraphs are estimates based on the Department's half-yearly survey of employment. These estimates have been revised in light of further information now available and are therefore not strictly comparable with figures previously published.

(3) The community as a whole is dependent upon the total effort of its labour force. Some of this effort is applied to producing raw materials, some to manufacturing, some to transport and other forms of servicing. Taking these in the order mentioned, we find that for the major part of the raw materials for the food, clothing, fuel, and shelter of the entire population, New Zealand is dependent on the output of 178,000 persons engaged in the primary industries of farming, sawmilling, mining, and quarrying. Exports of surplus farm products provide also the bulk of the foreign exchange necessary to purchase overseas those raw materials and other commodities which are not produced internally, including a large part of the capital equipment for the Dominion's industries. In spite of reductions in numbers employed, primary production (aided by increased mechanization) remains at record levels.

(4) Workers in the Dominion's rapidly expanding manufacturing industries handle the processing of food products, both for internal consumption and for export, and produce an increased proportion of the part-processed materials for industry and of the clothing, hardware, furnishings, and other commodities for supply to consumers. Others build New Zealand's houses and factories and supply power and water for them. In all, 218,000 workers are engaged in production or repair of commodities, handling locally produced materials in most cases at a later stage than the 178,000 workers in the