

PART I—INTRODUCTORY

SECTION 1—GENERAL REVIEW

THIS year, for the first time since the war ended, we are able to modify to a marked and welcome degree the description appropriately applied to previous years that, as a general condition throughout the world, supplies of food, raw materials of manufacture, and consumer goods of wide range were not sufficient to meet the demand. It is true that shortages in some commodities remain and that some challenging problems, particularly in the international exchange of goods and in the finance of that trade, still have to be overcome. It is equally true, however, that most significant advances have been achieved and continue to be made in the expansion of the production of basic foods, industrial raw materials, and consumer goods. No less significant are the improvements in transport services, both international and internal, to carry the increasing volume of goods being produced.

In New Zealand the range of goods in which supplies are adequate for free consumer selection has further extended in the past year and formal rationing among consumers has almost disappeared.

Full employment and general prosperity themselves involve heavy demands for commodities, both locally produced and imported, but added to these factors we have on the one hand the lag from difficulties due to restricted availability of goods from overseas, and, on the other, the heavy demand for capital goods created by the progressive development of our country by both private enterprise and the State. The combined effect strains our overseas funds, and despite the high level of our export income, import control is still necessary. Particularly rigid control has had to be exercised over dollar expenditure, with consequent limitation on the range of certain lines of goods available, but the effect of this has been alleviated by the increases in import licences for goods from sterling area sources. Moreover, inconvenience from inability to import all things sought is greatly reduced by the capacity of our industries to meet creditably, from their own manufactures, many products which in former years had to be imported.

For the time being while domestic building must take precedence over industrial construction there is, through lack of factory space, some slackening in the establishment of enterprises to undertake new lines of production. When factory accommodation can again be more freely extended, however, development of new enterprises, which is now restrained because of the inability of proprietors to obtain space, can be expected once more to proceed. In the meantime, we note improvement of techniques, as well as extensions and diversification of production, of existing industrial units. Nor, as we note from Section 13 herein, has the development of new enterprises ceased.

The development of our secondary industry in recent years has been most striking and local products compare favourably with those of more highly industrialized countries. Except in a few industries our tradition in factory production is not long and our local market is relatively small, but, nevertheless, the general efficiency of our factories reflects credit on both employers and employees.

For so long as demand cannot be fully and freely met from supplies available under conditions either of competitive enterprise or by publicly-controlled institutions, the necessity remains for a price control organization to restrain exploitation of monopolistic power. That such an organization has been, and is, available for protecting consumers has contributed greatly to the maintenance of commercial stability in the years when goods generally were in short supply.

With such significant progress already achieved in reducing the gap between demand and supply, we look confidently to our industries, working with continued Government assistance, being able in the near future to complete the task of surmounting the few consumer shortages which remain as effects of the diversion of productive capacity to war purposes.