

SECTION VIII.—FULL EMPLOYMENT IN PROSPECT

528. In his report on "Full Employment in a Free Society," Sir William Beveridge draws a comparison between the state of full employment obtainable under pressure of war conditions and the recurrences of mass unemployment in times of peace. By drawing fully upon the experiences of war and peace, he sets as a standard for the future the continuous employment at all times of at least 97 per cent. of the labour force.

529. In New Zealand at the outbreak of war 96·3 per cent. of the male labour force was in full-time employment, the balance of 3·7 per cent. being on unemployment benefit or in subsidized work. During the first few years of war the numbers unemployed fell from some 19,000 to under 1,000, or less than 0·1 per cent. of the total male labour force, and this low level has been maintained. New Zealand's pre-war level of employment coupled with wartime achievements in reducing unemployment suggest that Sir William Beveridge's figure of 97 per cent. in employment, based on British experience, should be well within practical reach in New Zealand given an adequate use of resources and instruments for offsetting the effects of the trade cycle. We can face the future knowing that—

(a) Full employment in New Zealand was almost reached in pre-war years; has been more than achieved during the war; and has been well maintained into the first stage of the transition period from war to peace.

(b) The signatories to the United Nations Charter have accepted full employment, and to the extent that they are successful in achieving it world conditions will be stabilized and New Zealand's task will be made easier.

530. At 31st March, 1946, there were 24,000 males in the Armed Services and a civilian labour force of some 500,000, of whom 517 were on unemployment benefit or in subsidized work. Thus, of 524,000 males available to the Armed Services and to industry just over 0·1 per cent. were unemployed. There were at that date 7,106 known unsatisfied vacancies for males even in the presence of continuing limitations on the absorption of labour due to shortages of materials. Thus, even in the unlikely event of a rapid return of the Armed Services to pre-war strength without further expansion of industry, the number in employment would exceed the 97 per cent. quoted as a standard for full employment. Actually, it appears likely that the strengths of the Services will not be reduced to a peacetime level for some time, the removal of bottlenecks in supplies will slowly progress, and the tendency of industry is for further expansion, so that the prospects for maintained full employment appear encouraging.

531. In other countries employment is not, however, at so high a level. The percentages of males and females unemployed in Great Britain in March, 1946, were approximately 2 per cent. of the male working population and 2·4 per cent. of the female working population respectively, the percentage being steady for females, but rising for males. In the United States of America in February, 1946, the male figure was about 5·6 per cent. and rising, with females fairly steady at approximately 3 per cent.

532. Despite the nominal adherence to full-employment policies by the United Nations, there is no real reason to believe that the causes of fluctuating world prosperity in the past have as yet been removed. Should other countries, particularly Britain, be unable to hold to their full-employment policies, the effect on New Zealand exports would be likely to cause difficulties in the maintenance of full employment in New Zealand. There are, however, two favourable aspects:—

(a) The earnest attempt by larger nations to achieve full employment, even if not fully successful, is likely to assist in reducing the intensity of possible future depressions.

(b) Within New Zealand arrears of public works, plus the scope for future development, together with the greater measure of balance between internal and external markets and improvements in the machinery for equating supply and demand, provide resources which can be harnessed to the task of offsetting any downward movement in the trade cycle.

533. The period favourable to full employment through which we are now passing must then be regarded as a period of respite in which the groundwork can be prepared to ensure that the advantages gained can be held under possibly less-favourable conditions