

With no unemployment problem and a strong unsatisfied demand for labour, New Zealand is naturally interested in the question of productivity of labour. Special attention has more recently been given to various aspects of this question, including industrial relations, incentives, industrial hygiene, accident prevention in industry, and other related matters.

In the first place it has to be recalled that during the war New Zealand established a system of economic and man-power controls which were remarkably effective in sustaining wartime production, despite the withdrawal of a relatively large proportion of man-power for service in the Armed Forces. While those controls were most effective for their wartime purposes, many of them necessarily restricted industrial initiative in other than war-production fields. Owing to shortages in materials, accommodation, transport, power, labour, and in other directions in the years immediately following the war, it was regarded as injudicious to remove a number of the wartime controls until conditions became more nearly normal. This applied particularly to controls designed to prevent inflationary spiralling of prices and wages under conditions of strong effective demand coupled with acute shortages of goods and services. There has, nevertheless, been evidence throughout the post-war years of some conflict between the effect of these stabilization measures on the one hand and the desire to promote higher levels of productivity on the other. In some quarters it has been increasingly stressed that employers and workers had to be freed of at least the more stringent applications of stabilization policy in order to give them the incentives to production which would enable them to achieve the much-needed increases. Over the last few months the New Zealand Government has taken several steps towards modifying the stabilization policy. Some price ceilings have been removed and others raised. Wage ceilings have been removed.

While the Government hopes that increased productivity will result from such measures, other matters affecting production are also receiving attention. For some years, for instance, it has been widely urged that improvements in industrial relations could be achieved, despite the fact that in actual time lost through industrial disputes New Zealand has a relatively satisfactory record. The desirability of further reducing the loss of production due to actual strikes or lockouts is, of course, obvious, and in recent years this has received very close attention. The particularly low record of days lost in recent years is partly attributable to measures taken to bring parties in dispute together quickly and to provide them with acceptable means of adjudication where appropriate. The Industrial Relations Act of 1949 included a provision empowering any Conciliation Commissioner to bring the parties together where there is a dispute or possibility of a dispute and where there is otherwise no appropriate machinery to bring them together.

The Industrial Relations Act in its objects, however, went beyond the mere reduction of lost time when disputes occur. It took a preventive view by providing for an Industrial Advisory Council and subsidiary organizations to bring employers and workers together on matters other than disputes—matters in which they would have a common interest and through which they could steadily enlarge the area of common understanding between them. The Act itself is no more than an enabling measure which makes the opportunity for the sides to get together but which leaves the initiative mainly to them as to the directions in which they work. Nevertheless the Act indicates that Works Committees, incentive-payment schemes, and safety in workshops should, for example, be among the matters taken up by the Council.

Many observers have pointed out that one of the problems of maintaining a high level of employment is the problem of maintaining at the same time a high level of productivity. The problem is particularly important under conditions of acute labour shortage such as exist in New Zealand. With an unduly strong demand for labour there are many factors which work against maximum *per capita* production. Shortages of labour lead to shortages or unevenness in the supply of materials and, consequently,