

(ii) Developments prior to the Inter-war Period

367. Employment developments over the years prior to 1921 can be passed over briefly. Deficiencies in data make it impossible to do more than survey the broad outlines of employment trends and the general interaction between these and the country's developing economy. Consequently, all that can be achieved in this subsection is to present the background to the employment position and problems of the critical inter-war period.

368. The Pioneering Stage, 1840–1868.—New Zealand in the pioneering days exported a very narrow range of products, wool being the staple. By 1861 the number of sheep totalled 2,750,000. During the “sixties” the population increased very rapidly, and with the discovery of gold a new impetus was given to development, and a larger demand was created for agricultural products. The Dominion's economy at this period was unstable, however, and through a number of contributing factors (including a fall in overseas prices, on which the Dominion's economy was largely dependent; a reaction to excessive land speculation; and the Maori Wars) large-scale unemployment appeared in 1868.

369. Public Works and Immigration, 1869–1878.—The rising price of wool after 1870 and the inauguration of Vogel's public-works policy greatly stimulated employment in all fields. Immigration reached record levels, and a number of secondary industries became established. In the four years 1873–1877 some 907 miles of railway were completed, and roads and harbour-works were also pushed ahead rapidly. The high level of immigration, combined with the high birth-rate, produced a rapid increase in population, the European population growing from 256,000 in 1871 to 490,000 in 1881. As a result of these developments and a boom in overseas prices, land values rose steeply.

370. The Depression of the “Eighties,” 1879–1896.—In 1879 the inflationary boom in land values came to an abrupt end, following upon the collapse of overseas wool-prices. Imports declined, public works were cut down, while the newly-established secondary industries maintained themselves only by paying low wages and working long hours, abuses which were exposed by the Sweating Commission in 1890. The sharp reduction in public-works activity and the continued arrival of immigrants accentuated unemployment, and a Commission set up in 1883 to investigate the whole problem was unable to suggest any practical remedies. As the position continued to deteriorate, the stream of immigrants gradually came to a stop. Finally, in 1888 the number of departures exceeded the number of arrivals. It appears that mass unemployment was by then extremely widespread, though the lack of data makes any estimate of the numbers involved difficult. In 1888 tariff protection was first granted to a few secondary industries in an effort to relieve the unemployment problem. Closer settlement, which might have helped, was prevented by much of the land being held in large estates, this being especially true of the South Island.

371. The Development of Refrigeration, 1896–1914.—The New Zealand economy was revived by advances in refrigeration and by the rise in world prices which took place in 1896. Before this time the country's overseas income was derived mainly from the export of wool, with gold, and later wheat, as rather unstable auxiliaries. The demand for meat and dairy products, after the introduction of refrigerated transport, was steadier, and prices of these commodities did not fluctuate to the same extent. Exports of frozen meat increased very rapidly from about 700 tons in 1882, to cover over 50,000 tons in 1891, the industry being able to take advantage of the railways that had been constructed in previous decades. Expansion of the dairy industry was less rapid, exports of butter in 1901 being only 10,000 tons.

372. The 1901 census showed the total labour force to be about 337,000, being made up of 274,000 males and 63,000 females. Over 85,000 of the males were engaged in farming, 22,000 in mining and sawmilling, &c., 71,000 in secondary industry and construction, and 91,000 in tertiary industry. Of the females, 27,000 were engaged in domestic service.