

increased, especially in the winter of 1926, and thereafter showed a steady upward trend, though there was some temporary improvement in 1928. Seasonal fluctuations also appeared to grow more severe.

**379.** From 1925 onwards the trade-union returns give some idea of the severity of unemployment in different occupational groups and its incidence in different industrial areas. These show unemployment following the same upward course after 1926, with specially heavy rates in the shipping, sawmilling, and building industries after 1927. Geographically, unemployment was most severe in Auckland, while Canterbury was most free from it.

**380.** At the census date in 1926 the total labour force was returned as 551,000, made up of 438,000 males and 113,000 females. Those engaged in farming had dropped, but there was a fairly marked increase in secondary industry and building and construction, and in the service industries. Women in industry had fallen off slightly from the level reached in 1921, but the latter figure may have been unduly high owing to the continuing effect of the war. Unemployment stood at about the same level as the 1921 figure, there being 13,215 in 1921 and 13,128 in 1926. The proportion per 1,000 wage earners had, however, fallen.

**381.** Widespread concern began to be felt at the increase in unemployment after 1926. New Zealand had lagged behind other countries in making provision for unemployment insurance, and the only method of alleviation was the expansion of the public-works relief schemes, this being done from 1927 onward, engagement being made through the Labour Department's Employment Bureaux. Late in 1928 the National Industrial Conference met, when the problem was once more brought to the public notice. Though no detailed remedies were suggested, it was agreed that unemployment was such a serious problem that provision should be made for its relief out of the Consolidated Fund. As a result, the Government set up a Committee in 1928, which issued its first report in 1929, and dealt largely with the Committee's views of the causes of unemployment. Early in 1930 a further report was issued, in which it was recommended that a Board be set up to deal with the problem and funds be raised to enable it to give relief. It was not considered that a scheme modelled on that in operation in the United Kingdom would be practicable in New Zealand because of difficulties presented by the seasonal and casual nature of much of the employment in the primary industries.

**382 Depression, 1930-1935.**—A depression of major severity began in 1930 in New Zealand, beginning with the drastic falls in the prices of primary products in overseas markets. Compared with 1929, the fall in prices reached in 1932 was 63 per cent. for wool and 39 per cent. for meat. Dairy-produce prices reached their lowest level in 1934 at a point 47 per cent. below 1929. The value of all exports declined between 1929 and 1931 from £55,000,000 to £35,000,000, and imports correspondingly fell from £48,000,000 to £26,000,000. The direct effects of this fall were serious to the primary producers, and, naturally, the depression spread over all the community. The capital goods industries were hit most severely and the others to varying degrees. Unemployment rose rapidly to reach its highest peak of 79,435 in September, 1933.

**383.** The Government took three major steps to meet the situation. To restore at least part of the farmers' lost incomes the rate of exchange was arbitrarily raised from 110 to 125 New Zealand pounds to the pound sterling. Costs were lowered by reductions made in wages, salaries, interest, and rents. These two measures were designed to spread the incidence of the depression with some degree of uniformity over the whole community, and other measures were adopted to preserve the financial structure on what was then considered to be sound orthodox lines. These actions assisted in the adjustment of the economy, but, nevertheless, the distortions were sufficiently great to create mass unemployment. To deal with this problem the Unemployment Board was set up, but the Board's functions were very limited, particularly by financial stringency, and, in addition, it was handicapped by the limited knowledge then available on the causes