

1931.  
NEW ZEALAND.

# UNEMPLOYMENT.

STATEMENT BY THE RIGHT HON. J. G. COATES, MINISTER IN CHARGE OF UNEMPLOYMENT.

*Laid on the Table of the House of Representatives, 13th October, 1931, by Leave.*

## STATEMENT.

In New Zealand to-day more than 50,000 adult men are registered as unemployed; many women and young people are unable to find employment; as yet there is no tendency for these huge numbers to contract. In three months, October to December, of last year the number of registered unemployed doubled; it again doubled in the first three months of the New Year.

Not all of the 50,000 men are wholly unemployed; many of them are engaged in part-time relief work for sustenance. We have not resorted to the so-called "dole," or relief without work—a decision which, in my judgment, was sound, and for which the Government previous to this one is entitled to credit. Of the men placed, however, more than 36,000 are employed under what is called Scheme 5, which is mainly roadwork with pick and shovel. The Unemployment Board is spending money at the rate of £2,500,000 a year, and more than nine-tenths of that large sum has been going into Scheme 5. Much of the roadwork is useful, but it cannot be described as directly productive; and, as time goes on, it becomes ever more difficult to find satisfactory roadwork to be undertaken.

The position as it is to-day must be changed. We cannot afford to become "a nation of navvies." In the interests of the country and of the men directly concerned, those who are now unemployed or are engaged on unproductive relief work must, as far as practicable, be diverted into productive work. It is to this task that we must at once apply our energies. An immediate objective will be to move, say, 20,000 men from Scheme 5 into productive work. That is a substantial number, though far short of the total unemployed; yet it is well to remember that every man placed, every forward step towards recovery, will indirectly lead to the employment of other men.

The situation to-day is a challenge to our capacity to set things right; it is a challenge to our traditional way of doing things—a challenge to our traditional ways of thinking. I approach the question without any preconceived theories of a general nature. I do not profess to have any magic physic, nor do I profess to say the last word on the way in which the question has to be dealt with in New Zealand. I expect criticism, and I invite it, because I am convinced the remedies to be applied will be as varied as are the industries and districts of New Zealand.

### SOME BASIC CONSIDERATIONS.

At the outset, however, I must start with some indication of my general viewpoint. It seems to me basic that—

- (1) We should view our problem less as one of simply relieving unemployment, of making work for work's sake, than as one of enabling production to proceed.
- (2) New Zealand has reached a stage in its development when its people must depend more on the fruits of industry and less on development work—national or local—out of loan-money.
- (3) We have unemployment because on present price-levels it is uneconomic to employ labour under the conditions on which it must be employed. Unemployment will only be solved when the wheels of industry revolve of their own volition and again employ labour to the fullest extent.
- (4) Primary production from our farm lands is the keystone of the Dominion's economic structure. It is essential that the unemployed labour should be directed from road and unproductive work to productive work on the farms. This is the policy which the Unemployment Board by every possible means intends to pursue. So far as men engaged on roadwork are concerned, the ideal must be to move them "over the fence" on to the land.