

- (5) Important as farming is, we cannot hope to absorb in it the 50,000 men now unemployed. After ninety years' development New Zealand has 80,000 farmers; it would be vain to expect now to place 50,000 additional men on the land. Consequently we must look also to other productive work for the absorption of the unemployed. It may be held necessary to take action to relax restrictions now militating against the employment of labour on an economic basis. This, I recognize, raises controversial issues bearing upon labour legislation, and I shall not deal with the matter here.
- (6) It is also to be recognized, I think, that in expending moneys on productive work we must take into account not the equal allocation of funds as amongst districts, but those purposes and localities which promise to be most economically justifiable.

FINANCE.

At the outset regard must be paid to the subject of finance. Without additional funds the task of transferring men into productive employment cannot be seriously attempted. To-day every penny available to the Unemployment Board is being used. Its whole income, allowing for recent increases in the unemployment-relief tax, and including the subsidy from ordinary taxation, is £2,500,000 a year, or less than £50,000 a week. Its expenditure now is at the rate of £50,000 a week; and so long as there are 50,000 unemployed men this expenditure cannot well be reduced.

All members of the Unemployment Board are closely in touch with the realities of present conditions in New Zealand. They are aware of the very real sacrifice that has to be borne not only by the workless, but by many of the lower-paid workers who are obliged to pay the levy and the 3d. in the £1 charge on wages and salaries. To increase the tax must inevitably add to hardship, and the Unemployment Board recognizes that such a course is to be avoided if this is at all possible. Yet so convinced are the members of the Board that men now engaged in unproductive work should be moved into productive industry, and so inescapable is the conclusion that further cash must be provided to this end, that they have been compelled to consider the necessity for recommending an increase in the charge by 2d. in the £1—that is to say, from 3d. to 5d. We are still hopeful that means will be found to finance our work from funds already available or in sight. Every effort is being made to avoid the necessity of additional taxation, yet if the steps necessary to effect an improvement cannot otherwise be taken we must not hesitate to ask for further funds.

LAND.

(1) *Existing Farms*.—Given the necessary funds, the Unemployment Board and the Government will proceed vigorously with the task of moving men into productive work.

We turn first, as I have said, to the land: and in speaking of the land our first effort must be directed to see that the farms already occupied are enabled to absorb additional labour and to increase production. Everything that retards the prosperity of the farmer adds to unemployment; by helping the farmer we help every one in the country.

Already the Board has devised plans under which farmers may obtain *additional* and subsidized labour under Scheme 4A. The Board desires that it should be for developmental work, but, provided the labour is additional to that which would otherwise be employed and does not displace men already in employment, it may be used for productive work not entirely developmental. Under this scheme the Board finds 10s. per week for single men and £1 per week for married men, the farmer providing food and lodging. After being temporarily suspended, this scheme again operates as from the 1st October. Under another plan—known as Scheme 4B—we will assist in developing farm lands on a *contract* basis; the Unemployment Board pays one-third of the wages of men engaged on contracts for developmental work on farms. It is open to any farmer in New Zealand now to apply for men under either of these schemes. For labour under Scheme 4A he should get in touch with the nearest local Unemployment Committee or branch office of the Labour Department, or his local Postmaster, and for labour under Scheme 4B he should apply to the Commissioner of Crown Lands for his district.

(2) *New Development*.—Apart from existing farms, we must see to the bringing into cultivation of new land. In consultation with my colleagues and their Departments, we are examining afresh the possibilities of opening up blocks of Crown lands. I am pleased to be able to say that we have under review, with the intention of taking immediate action, some 120,000 acres, which include land for irrigation and reclamation.

Already some relief camps for single men have been established, and it is hoped to use them as part of the plan for bringing land into use. The relief pay (I emphasize that it is not wages) is lower than we would wish, but its limit is fixed by the funds available. I recognize, too, that conditions are not ideal: how could they be in experimental camps? But no effort will be spared to ensure that living-conditions will be comfortable. Let me add, too, the men drafted out for developing these lands will be given an opportunity, if they desire, to acquire sections when the land is partially or wholly developed. This is but a beginning. More will follow.

I am not satisfied that we have yet done enough to explore the possibilities of absorbing men on the land. Good as the plans are that have already been devised, they do not go far enough. We are faced with the fact that, with 42,000 men placed under the various schemes, less than 6,000 are on the land, more than 36,000 are on the roads.

(3) *Small-farm Settlements*.—We are giving consideration to the establishment of small-farm holdings. We have the land; we have the cottages or hutments of the type used in Public Works camps; and we have the men anxious to get on the land. Can we not bring these together? We might visualize a group of cottages—not over-elaborate, it is true, but more acceptable than conditions that many must now accept—cottages with a few acres of land on which families could occupy