

1932.
NEW ZEALAND.

UNEMPLOYMENT BOARD

(REPORT OF).

Presented to both Houses of the General Assembly by Leave.

REPORT.

INTRODUCTORY.

THE first annual report of the Unemployment Board was presented during the 1931 session, and contained a detailed account of unemployment relief activities of the original Board from its formation on the 20th November, 1930, under the authority of the Unemployment Act, 1930, until the 31st July, 1931, when in terms of the Unemployment Amendment Act, 1931, that Board was abolished. The amending Act provided machinery for a Board of different constitution, which came into existence during August, 1931.

Normally, the present report would have dealt with the period from the Board's inception in August, 1931, until the end of that financial year, 31st March, 1932. It has been found convenient, and, for purposes of comparison, deemed advisable, however, to record certain statistical data as from 1st April, 1931, while financial figures refer, of course, to the full financial year 1st April, 1931, to 31st March, 1932, except where otherwise stated. In other places in the report, advantage has been taken of the opportunity offered by postponement of the ordinary session of Parliament to incorporate references to the work of the Board subsequent to the 31st March, 1932.

In each country which unemployment afflicts, means of combating it must be devised according to the local conditions of that country. New Zealand depends for its economic well-being on the proceeds from its exports, 95 per cent. of which are pastoral products, and the principal market for which is the United Kingdom. Prices for these primary products have fallen disastrously. Producers generally are receiving barely the cost of production. Some are receiving less. The resultant depressing condition has penetrated to all other spheres of the national life.

The Dominion is not in a position to influence the trend of prices to its favour to any extent on the Home market; but, being a relatively newly settled country, it is fortunately able to expand the volume of its primary production, and so, to some extent, offset the diminution in prices. It follows naturally, therefore, that any attempt in this country to relieve distress due to unemployment, and to create employment, should be in the general direction of tending to increase the volume of primary production. Supplementary to this fundamental necessity to increase the gross returns from exports is the less immediately important, but ultimately vital, need to ensure that the present financial stringency in the farming industries does not cause a deterioration of pastures. The Board is seized of the fact that the pastoral land must be maintained in such a condition that when price-levels do take an upward trend the Dominion's staple industries will be in a position to take immediate advantage of the improvement, and not be hindered, perhaps for years, in repairing neglect due to deferred maintenance during this lean period. The Board has, therefore, endeavoured, where possible, to direct unemployment relief labour towards the land. Encouraging progress in this direction has been made in spite of practical difficulties in the way.

Some of the cardinal principles which guide the policy of the Board are that all monetary relief must be worked for; that it must reach those whose need is relatively greatest; that the work performed must, where possible, be of a reproductive nature; and that relief payments should not approach so closely to wages ruling in ordinary industry for comparable work as to handicap the revival of normal employment.

Bearing in mind the fact that the cumulative effect of the present time of national and individual trial is pregnant with potentialities for good or ill to the national character, these fundamental principles are rooted in very firm ground. The preservation of personal incentive and of the individual's sense of responsibility for the care of himself and his family is essential. Relief work, which, generally speaking, is regular and is allotted to the relief worker without effort on his part should not come to be regarded by him as a normal mode of securing livelihood. When it continues over a lengthy period the tendency is for men even of previously independent spirit to cease to look upon it as abnormal, and to resign themselves to apathetic unconcern for the future, content with the bounty of their fellows. This psychological aspect of relief administration is apt to be lost sight of, but in the view of the Board demands constant mindfulness in any responsible conception of the duties of such a body and the object of the funds it administers.