## 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. this direction has been made in spite of practical difficulties in the way. Encouraging progress in

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.

The immediate care of the Board is to relieve distress due to involuntary unemployment. Its total ability to do so is the extent of its income. This limit is arbitrary. Any adjustments consequently necessary in the disbursement of relief must in fairness, therefore, be based on the variations, produced by local conditions and personal obligations, in the degree of individual necessity.

produced by local conditions and personal obligations, in the degree of individual necessity.

In this country the climate of whose northern territory borders on the sub-tropical, and whose length extends south over a thousand miles covering thirteen degrees of latitude, there can be no hard-and-fast gauge of individual need, or of the monetary relief necessary to ameliorate it, that could have equitable application over the whole Dominion. It is found in practice that a measure of relief which is adequate in one area where fuel is either abundant or unnecessary, rentals are cheap, and fish, game, vegetables, and other food resources provided either by nature or for the trouble of cultivation, is inadequate in other districts with more rigorous climatic conditions or less bountifully endowed by nature. This disparity, sometimes very marked, between natural conditions in one district and another, is usually accentuated by secondary differences due to varying social and/or industrial conditions

In order, therefore, to devise means of equitably combining the impersonal numerical element with humanitarian consideration for personal factors in a method of distribution of relief funds under the Board's major scheme for the relief of unemployment, it has been necessary to accept some factor common to all centres as a basis for primary allocation. Experience led finally to the adoption of a system of allocating funds strictly proportionate in the first place to the current unemployment registrations at each centre. This gives an absolutely impartial and unvarying basis for a primary allocation to each centre in proportion to its aggregate of need as measured by registrations. Adjustments are then made to meet known variations, due to local conditions, in degrees of necessity; and the allocations which cover the ensuing four weeks are remitted from the Board to its certifying officers at 350 registration centres.

The method of subsequent disposition of the funds is explained at page 12 in the section dealing

with Scheme 5.

The policy of requiring reproductive work to be done in return for relief is based on two considerations, both of which, in the view of the Board, are of prime importance. Firstly, there is the psychological effect on the worker, previously referred to—the mental effect on the individual of performing, for lengthy periods, manual work which it is apparent to him is of a useless nature, is both positive and harmful. Secondly, the special taxation which is the source of the Board's funds is derived immediately from the earnings of citizens, but depends ultimately for its continued yield upon the productive assets of the Dominion. Therefore, it has been deemed wise to direct the expenditure of relief moneys, into channels which will tend to enlarge those assets. A related consideration, which has weighed with the Board in this connection, is a desire that, when revival of trade renders relief activities no longer necessary, any continuing evidences of the present depression will present themselves to posterity not as liabilities, but as tangible assets in the shape of improved and extended farm lands, improved access to backblock districts, additional public facilities, and other works of definite community or productive value.

No organization comparable in nature and magnitude with that which has sprung up as the vehicle of unemployment relief has previously functioned in the Dominion. The Board, therefore, has no means of relating the multifarious administrative problems to past experience. There have been no precedents to guide the Board in the formation of policy, nor the certifying officers and associated officials in administering it. A national situation, of economic origin, and expressing itself in human distress, arose and intensified with an irresistible rapidity that brooked no delay in

the conception and launching of counteractive measures.

The problem of deciding courses of action was not alone an abstract one merely of declaring what forms of work should be performed for specified measures of relief, and of creating a Dominion-wide organization to function with machine-like efficiency. Superimposed on the sufficiently intricate considerations associated with those phases were the facts that every line of even routine official action impinged finally on the personal lives of citizens, with a significance magnified by their condition of unaccustomed dependence; and that rules of procedure, however elaborately drawn by the Board and meticulously observed by its officials, failed in their purpose if their ultimate effect in operation were not ameliorative of the personal hardship the Board's funds were designed to relieve.

Early experience persuaded the Board of the consequent necessity of investing its employment schemes with the highest degree of elasticity consistent with proper safeguards. This was possible only by leaving to its certifying officers very wide discretion. Happily, the class of officer discharging those functions permitted this being done. The Board is deeply sensible, and records its appreciation of, the initiative displayed by the officers in their handling of a situation having facets peculiar to each centre; of the responsible manner in which they have viewed the extraordinary and onerous duties devolving upon them; and of their unselfish application to the voluminous clerical work associated with the Board's activities.

The task of finding sufficient suitable work for the relief of unemployment has been by no means an easy one, but with the co-operation and help of employing authorities (principally local bodies and Departments of State), this has been accomplished. The Board acknowledges with thanks the valuable assistance and co-operation which it has received from local authorities throughout the

Dominion, and from Government Departments.

Due mainly to a further sharp decline in the value of primary products, the numbers of unemployed have continued to increase, as the report shows, until during the winter of 1932 the figures reached a height unprecedented in the Dominion. With some 70,000 men a charge on the Unemployment Fund at the time of preparing this report, the problem of utilizing available finance in the most equitable manner is an extremely difficult one. Despite increased taxation, the pressure on the Fund has never relaxed sufficiently to allow a reserve to be built up.

Although the unemployment problem developed to a serious stage in New Zealand at a later date than in most other countries, and the stages of its development have been relatively more rapid, the latest available statistics indicate that the proportion of unemployed to the total population is still considerably below the figures recorded in the majority of other countries. At the same time, the methods adopted in New Zealand to relieve the situation are believed to be more comprehensive and continuous than elsewhere; and accordingly the average measure of relief granted compares more than favourably with that awarded in other countries.

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Apart from the normal channels of contact through the official organization, direct personal oversight of relief administration has been maintained since July, 1932, through the Deputy-Chairman of the Board (Mr. J. S. Jessep), whose inspections, carried out as circumstances require, enable the

Board to keep activities throughout the Dominion under continuous review.

## HOSPITAL BOARD RELIEF: TRANSFER TO UNEMPLOYMENT BOARD.

Prior to July, 1932, relief activities by the Unemployment Board were supplemented by Hospital Boards, which under normal conditions are responsible for the relief of distress due to indigence. The abnormal spread of distress due to unemployment created a situation beyond the capacity of these Boards. It became necessary to draw some general line of demarcation of responsibility and following a conference between the Unemployment Board and Hospital Boards, the undermentioned classification, drawn up by hospital doctors, was adopted.

Class A: Men fit for any work in any place.

Class A2: Men fit for camp provided light work is given.

Class B: Men fit for any work in city or town, but not fit for camp. Class B2: Men not fit for camp, but fit for light work in town only.

Class C: Men unfit for work of any kind.

Classes A, A2, and B were accepted as the responsibility of the Unemployment Board; and

Classes B2 and C as the care of Hospital Boards.

It had to be recognized that in any such arbitrary classification of men, however carefully carried out, hardship would arise unless considerable discretion were exercised. This specially applies to the B2 class, in respect of which it was arranged that close co-operation should exist between the two authorities, and that the Unemployment Board would assume the responsibility for individual cases as suitable work becomes available.

As from 4th July, 1932, the Unemployment Board accordingly assumed the full responsibility of providing relief to able-bodied registered unemployed men, in Classes  $\Lambda$ , A2, and B, who were formerly assisted to some extent by Hospital Boards. Certifying officers were instructed that except in the special cases referred to at page 12 any relief so afforded to able-bodied registered unemployed must be awarded in the form of work, and that such relief, when added to the amount of relief work allotted to the recipient in the ordinary course under Scheme 5, should not exceed the maximum scale laid down under the rules of Scheme 5.

Investigations were made as to the extra charge placed on the Board's funds under this arrange-

ment, and in cases in which it was necessary, increases were made in allocations.

## AMENDMENTS TO UNEMPLOYMENT LEGISLATION.

Various amendments to the Unemployment Act, 1930, were enacted in the Unemployment Amendment Act passed on 22nd July, 1931; in Part 2 of the Finance Act (No. 4) passed on 11th November, 1931; in the Unemployment Amendment Act passed on 30th April, 1932; and in Part 3 of the Finance Act (No. 2) passed on the 9th December, 1932.

The principal directions in which the Act was amended were as follows:-

The principal directions in which the the two was made and the principal directions in the Board of The provision of increased funds for unemployment relief by means of additional special taxation; authority for payment in advance of subsidy from the Consolidated Fund; abolition in later legislation of such subsidy; reconstitution of the Unemployment Board and the vesting in the Board of authority to appoint committees to investigate and report on various matters concerning unemployment and to delegate its powers to such committees; provision for Parliament to appropriate annually out of the Unemployment Fund the required finances to meet administration expenses; extension of the powers of the Governor-General to make regulations for the purposes of the principal Act; the provision of penalties upon summary conviction for the offence of attempting to obtain benefits under the Act by means of false statements or misrepresentation.

The amending legislation confers authority on local bodies to undertake work on individual private properties for the relief of unemployment, and for the cost, either in whole or part, to be recoverable by the Board, through the local authority, by means of a local rate. Under this provision the Minister of Finance may, if default is made by the local authority, appoint a receiver to levy a

rate on the lands affected or on all rateable property in the district concerned.

In the case of larger reproductive undertakings affecting two or more private properties, the Minister of Public Works is empowered to declare such undertakings relief works, and have them carried out by unemployed labour.

## THE RECONSTITUTED UNEMPLOYMENT BOARD.

Section 26 of the Unemployment Amendment Act, 1931, abolished the Unemployment Board as then constituted, and made provision for a new body consisting of five members. Previously seven members of the Board, other than the Chairman, were appointed on the nomination of various interests. Under the new constitution, the Board consists of the Minister, who is Chairman, three

members appointed by the Governor-General, of whom one is Deputy-Chairman, and the Commissioner of Unemployment. Early in August, 1931, the personnel of the new Board was announced, the members being-

The Hon. S. G. Smith, Minister in Charge (Chairman),

Mr. James S. Jessep, of Wairoa (Deputy-Chairman), Mr. Walter Bromley, of Wellington,

Mr. P. R. Climie, of Christchurch, and

Mr. Malcolm Fraser, who at that time was Commissioner of Unemployment.

The newly-constituted Board held its first meeting at Parliament Buildings, Wellington, on 6th

On the retirement, in September, 1931, of the Hon. S. G. Smith, consequent upon the formation of the National Government, the Right Hon. J. G. Coates, P.C., took over the administration of the Unemployment Relief legislation, as Minister of Employment, and became Chairman of the Board.

At the end of March, 1932, Mr. Malcolm Fraser relinquished the office of Commissioner of Unemployment, the vacancy being filled by the appointment of Mr. G. C. Godfrey, formerly Secretary

The Board at its first subsequent meeting placed on record its appreciation of the very valuable

services rendered by Mr. Fraser, who remains an associate member of the Board.

With the departure on the 28th June, 1932, of the Right Hon. Mr. Coates to attend the Imperial Economic Conference at Ottawa, his functions as Minister of Employment, and the chairmanship of the Board, were assumed by the Hon. Adam Hamilton, Minister of Internal Affairs and Postmaster-General.

#### THE UNEMPLOYMENT FUND.

#### (a) REVENUE.

In the first report of the Unemployment Board the precarious position of the Fund during the first four months of the 1931-32 financial year was fully dealt with. A complete stoppage of the Board's largest scheme (No. 5) was avoided only by the action of the Government in making the necessary finance available. At the end of July, 1931, the Fund was in debt to the extent of approximately £250,000.

Prior to the passing of the Unemployment Amendment Act, 1931, the Board's financial resources consisted of the receipts from the annual levy of £1 10s. imposed on males aged twenty years and over, together with a subsidy from the Consolidated Fund of 10s. for every £1 of expenditure from

the Unemployment Fund.

As a result of amending legislation, the Board's sources of revenue now comprise-

(1) The levy on males aged twenty years and over (designated the "General Unemployment Levy") reduced to £1 per annum.

(2) A charge on salary, wages, and other income at the rate of 1d. for every 6s. 8d. or part thereof, known as the "Emergency Unemployment Charge." This was a new charge, and by section 8 of the Unemployment Amendment Act, 1932, the rate was increased

to 1d. for every 1s. 8d. or part thereof.

From estimates supplied prior to the passing of the Amendment Act in April, 1932, it was assumed that the Board's income from taxation for a full year as from 1st August, 1931, would approximate £1,300,000, comprising some £400,000 from the levy and £900,000 from the emergency charge, which, with the addition of subsidy from the Consolidated Fund, would make a total of £2,600,000 available for expenditure on unemployment relief, and for extinguishing the deficit in the Fund at the 31st July, 1931. Making due allowance for the fact that the emergency charge operated only in the last eight months of the financial year, and that many taxpayers effected payment of instalments of the levy and charge in advance, this estimate proved to be a very accurate one, but in view of the pressure on the Board's funds during 1931, it was apparent that the anticipated increase

in registrations could not be coped with by the existing resources of the funds.

Amending legislation was, therefore, passed in April, 1932, resulting in the rate of the emergency unemployment charge being raised to 1s. in the pound as from the 1st May, 1932. At the same time, the subsidy previously provided from the Consolidated Fund was abolished. The exemption of £250 hitherto allowed in determining for taxation purposes the income of women from sources other than salary or wages was reduced to £20. On the new taxation basis the Unemployment Board's financial resources for the present fiscal year 1932-33 were estimated at approximately £3,600,000, as compared with a figure of £2,439,000 for the year ended 31st March, 1932.

With the additional funds thus placed at the disposal of the Board, it was possible to effect a number of improvements in the relief scales in operation in the four main centres where distress was the most acute, and arrangements were also made to relieve Hospital Boards of the necessity for granting charitable relief to the majority of unemployed workers and their families.

These revisions are discussed at greater length elsewhere in the report.

### (b) Expenditure.

As will be seen from the statement of receipts and payments hereunder, an amount of £2,216,886 was paid from the Fund during the year 1931-32 for the relief of unemployment. The total expenditure

from the Fund was £2,254,257, the cash balance in the Fund at 31st March, 1932, being £184,942.

It should be noted that this is the cash position of the Fund. Taking into account debtors and creditors at that date, the position, however, is not materially altered. On this basis there was available for relief at 31st March, 1932, financial resources totalling £186,642. It will be patent that the demand for relief was fully extending the Board's financial resources, when it is remembered that after 31st March, 1932, there would be no appreciable amount of additional cash received into the Fund until the 1st May, 1932, when the next instalment of levy and emergency unemployment charge on income other than salary or wages became due. The necessity for the increase made in the rate of the emergency charge as from 1st May, 1932, in view of the ever-increasing demands on the Fund, is therefore quite apparent.

#### RECEIPTS AND PAYMENTS.

The following statement shows the receipts to and payments from the Unemployment Fund for the financial year ended 31st March, 1932:—

#### UNEMPLOYMENT FUND.

RECEI	PTS AND ]	PAS	ZME	ents Acco	UN	T :	for the Year ended 31st I	March, 19	32.			
	Receipts.							ments.		1 0		
To Balance at beginning of year—	£	s.	d.	£	s.	d.	By Annual appropriation, Vote, "Unemployment ex-		8.	d. £	ន	. d.
Cash	68,619						penses "—					
Imprests outstanding	495	5	<b>2</b>	20 112			Salaries					
Unemployment Act,				69,115	Z	3	Advertising Board members' fees,		6	1		
1930: Receipts under							salaries, and travelling-					
the Act—			_				expenses		<b>2</b>	6		
Unemployment levy Emergency unemploy-	538,503	5	6				Contributions towards cost of registration of unem-					
ment charge—							ployed women	400		0		
Tax on salary or							Fitting up labour bureaux Law-costs	68	$\frac{4}{11}$	5 e		
wages $(£490,053$ 7s, 6d.) and tax on							Law-costs Office equipment			7		
income other than							Office expenses	119		3		
salary or wages	710 000	0	1.1				Overtime and meal allow- ances		17	5		
$(£22\mathring{0},245 \text{ ls. 5d.})$ Fines	710,298 $411$						ances		1,	U		
Subsidy from Con-							telephones	2,885				
solidated Fund in							Printing and stationery Rent, heating, and lighting		$\frac{8}{12}$	9 5		
terms of section 3 (2) (b), Unemploy-							Services rendered by other		12	J		
ment Act, 1930	1,118,752	15	6				Departments		7	0		
Interest on invest- ments	1,851	в	1				Special Advisory Com- mittees, expenses of		7	1		
ments Interest on loans under	1,001	U	1				Travelling allowances and		•			
section 18, Unem-	2.10						expenses	595	19			
ployment Act, 1930 Interest on temporary	240	13	Z				Contingencies		4	-34,308	5 £	5 11
transfers to other							Grants under section 18, Un-			01,000		, 11
accounts in terms of							employment Act, 1930—Schemes Nos. 1, 2, and 3		7	3		
section 40, Public Revenues Act, 1926	25	15	1				Scheme No. 4A			$\frac{\mathbf{a}}{2}$		
Donations	0	10	0				Scheme No. 4B			2		
				2,370,083	19	4	Scheme No. 4c Scheme No. 4b (Farm Cam			6 0		
								2,002,873	17	1		
							Scheme No. 64					
							Scheme No. 6B Scheme No. 6c	7 7 7 7 7 7	5 - 6 I			
							Scheme No. 7	7	1	5		
							Scheme No. 8A		0	0		
							Special grant for relief in earthquake area		4	6		
							Assistance to flax industry	1,997	15	0		
							Special Christmas relief,	9,547	12	3		
							Assistance to gold-pros-		12	J		
							pectors	1,639	7	6		
							Relief of unemployment among Maoris	10,635	0	0		
							Relief of unemployment	·				
							among women	1,550	10 1	•		
							Pakiri Block Scheme Miscellaneous grants and		18 1	1		
							subsidies					
							Loans under section 18, Un-			- 2,200,545	5 9	8
							employment Act, 1930	••		. 16,340	4	6
							Administration expenses—	$^{\pounds}_{1,345}$	s. d			
							Salaries Office equipment		15 1			
							Office expenses	7	18 9	9		
							Postages, telegrams, and telephones	480	9 2	2		
							Printing and stationery	277	2 8			
							Services rendered by other Departments	0	3 (	<b>)</b>		
							Departments	U	9 (	,		
							expenses	2	7 3			
							Fees and travelling-expenses			- 2,159	6	7
							under section 16, Unem-					
							ployment Act, 1930 Balance at end of year—	• •	• •	882	2	3
							Cash	184,941				
							Imprests outstanding	25	2 8	3 - 184,966	10	Q
										104,900	14	

G. C. Godfrey, Commissioner of Unemployment. W. Yates, A.R.A.N.Z., Accountant, Unemployment Board.

£2,439,199 1

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I hereby certify that the Statement of Receipts and Payments has been duly examined and compared with the relative books and documents submitted for audit, and correctly states the position as disclosed thereby.—G. F. C. Campbell, Controller and Auditor-General.

£2,439,199 1 7

Note.—In the above statement of payments, the items "Administration expenses" and "Fees and travelling-expenses" are shown in two sections. This is due to the fact that up to the passing of the Unemployment Amendment Act, 1931, these expenses were payable without parliamentary appropriation.

#### THE GENERAL UNEMPLOYMENT LEVY.

No alteration was made in the method of collection of the general unemployment levy, which is still payable in four equal quarterly instalments. The due dates of payment were, however, altered by the 1931 Amendment Act, the first instalment at the new rate of £1 per annum being due on 1st August, 1931, and payable within one month of the due date. Subsequent instalments thus became due on the first days of November, February, and May respectively.

## THE EMERGENCY UNEMPLOYMENT CHARGE.

The charge on salary or wages, generally known as the "wages-tax" of 3d. in the pound, was actually payable at the rate of 1d. for every 6s. 8d. or part thereof included in practically all classes of salary, wages, and other emoluments earned by persons ordinarily resident in New Zealand, on and subsequent to 1st August, 1931, and paid on or after that date.\* The tax is collected by means of special unemployment relief stamps purchasable at any post-office. By regulations made under the Act the onus of deducting the tax from salary and wages and of affixing the requisite stamps to wages-books or other records is laid on the employer, who may, however, effect payment by cash or cheque where amounts of £5 or more in tax are payable at one time.

Power is vested in the Unemployment Board to determine, for the purposes of the Act, whether any remuneration received by any person in respect of work or service represents wages or salary, and is thus taxable at the time of payment. The Board is empowered, also, to declare that one person is the employee of another, and thus ensure the deduction of the tax at the time of payment for service which otherwise would not bring the recipient under the legal definition of a servant.

for service which otherwise would not bring the recipient under the legal definition of a servant.

The emergency charge on "other income" at the same rate as the wages-tax was levied on practically every class of income, including Government securities which are free of income-tax, and was assessable in the first place on two-thirds of the income for the year ended 31st March, 1931. Every person liable for the charge was required to declare his or her income either to the Post Office or Income-tax Department and pay the amount in two equal instalments within one month of 1st November, 1931, and 1st February, 1932, respectively. Provision was also made for a third instalment, assessable on one-third of the income for the year ended 31st March, 1932, but this was subsequently repealed owing to the increase of the charge to 1s. in the pound, and the extension of the period in which it was to be enforced.

This special unemployment relief-tax preserves the principle of the original levy in that it is a direct tax on individuals. The incidence of the tax is, however, entirely new to the Dominion, and it will be noted that practically all sections of the community come within its scope. Previously only males likely to be a charge on the Fund were required to contribute directly, but the rapid intensification of the unemployment problem made it impossible to adhere to this course, even with a contribution by way of subsidy from Government funds.

Substantial penalties upon summary conviction are provided for failure on the part of employers to deduct the wages-tax and to account for same within three days of payment of salary or wages, and for neglect to pay the charge on other income within the prescribed time. A penalty of 10 per cent. of any amount of emergency unemployment charge due but unpaid also accrues.

Prior to October, 1932, the Board had no special inspectorial machinery for ensuring that the wages-tax and the charge on other income were being regularly paid. From information received, however, it became evident that failures were becoming too numerous to be ignored, and that serious leakage in the Board's revenue from these sources was occurring. The services of several officers were, therefore, obtained on loan from the Post and Telegraph Department to carry out inspections of appropriate records of employers, including farmers. The results fully warranted the action taken. The first month's work of the officers disclosed 946 cases of failure to pay the wages-tax, the aggregate sum involved being £1,686; and of numerous cases of neglect to submit declarations and pay the levy.

As anticipated, also, the inauguration of the inspections has been followed by a sharp rise in the sales of unemployment relief stamps.

## REGISTRATION UNDER THE ACT.

The register compiled in accordance with the Act by the Post and Telegraph Department contained the names of 474,700 males aged twenty years or over at the 31st March, 1932. This figure excludes those removed from the register owing to death or departure from the Dominion since the Act came into force, and represents an increase of 12,000 registrations during the year.

## CONTRIBUTORS TO THE FUND.

Some indication of the number of persons contributing to the Unemployment Fund by way of the general unemployment levy is given by the following figures representing individual instalments of the levy received by the Post and Telegraph Department up to 31st March, 1932:—

Instalment Date.			Number of Instalments paid by Contributors.
December, 1930	 	 	 425, 297
March, 1931	 	 	 420,653
June, 1931	 	 	 417,129
August, 1931	 	 	 415,200
November, 1931	 	 • •	 403,743
February, 1932	 	 	 373,189

Making allowance for the fact that considerable numbers of contributors fail to effect payment within one month of the due dates of instalments, and in the light of records of payments of the above instalments effected since 31st March, 1932, it is estimated that between 420,000 and 425,000 males are paying the levy.

<sup>\*</sup> The rate of the tax was increased to 1d, for every 1s. 8d, on and from 1st May, 1932.

During the period covered by the above-mentioned instalments, a sum of approximately £767,500 was received into the Unemployment Fund on account of the general unemployment levy.

Apart from contributions to the Fund by way of the levy, almost every person in receipt of salary, wages, and other income has paid a direct tax towards the relief of unemployment by means of the emergency unemployment charge. The amounts credited to the Fund from these sources during the period from 1st August, 1931, to 31st March, 1932, were as follows:—

490,053Charge on salary or wages 220,245 Charge on other income ... £710,298

#### EXEMPTIONS.

#### (a) GENERAL UNEMPLOYMENT LEVY.

The classes of persons exempted from payment of the levy have remained unaltered, except for minor amendments. The powers of the Board to grant exemption on the grounds of hardship were, however, extended considerably, and, despite the reduction in the amount of the levy, a considerable number of applications were received during the year.

The Board exercises its power in this respect very sparingly, although giving every consideration to genuine and deserving cases. An important clause in the 1931 Amendment Act empowers the Board to postpone the due date of any instalment of the levy in lieu of exercising its right to exempt on the grounds of hardship. This power has been availed of to a considerable extent in cases where the applicants are able to pay eventually, but through various circumstances have been unable to effect payment within the statutory period of grace.

From 22nd July, 1931, to 31st March, 1932, postponement of the due date of instalments of the levy was granted to 431 persons, involving 1,524 individual instalments.

Exemptions recorded since the inception of the levy up to 31st March, 1932, are shown in the

following statement:-

Total exemptions, 19,516. Partial Exemptions.

		Instal	ments.		
December, 1930.	March, 1931.	June, 1931.	August, 1931.	November, 1931.	February, 1932.
3,344	3,575	3,613	3,668	3,682	3,716
1,071	1,155	1,228	1,486	1,410	1,151
1,064	665	835	428	352	367
852	910	1,071	535	570	283
4,205	3,261	2,422	1,345	1,841	1,128
836	1,228	1,172	882	732	228
11,372	10,794	10,341	8,344	8,587	6,873
	3,344 1,071 1,064 852 4,205 836	1930. 1931.  3,344 3,575 1,071 1,155  1,064 665  852 910 4,205 3,261  836 1,228	December, 1930.         March, 1931.         June, 1931.           3,344         3,575         3,613           1,071         1,155         1,228           1,064         665         835           852         910         1,071           4,205         3,261         2,422           836         1,228         1,172	1930.     1931.     1931.     1931.       3,344     3,575     3,613     3,668       1,071     1,155     1,228     1,486       1,064     665     835     428       852     910     1,071     535       4,205     3,261     2,422     1,345       836     1,228     1,172     882	December, 1930.         March, 1931.         June, 1931.         August, 1931.         November, 1931.           3,344 1,071         3,575 1,1228         3,668 1,486         3,682 1,410           1,064 665 835 428 352         352 352           852 910 1,071 535 570 4,205 3,261 2,422 1,345         1,345 1,841           836 1,228 1,172 882 732

The value of instalments not collected because of partial exemption represents a sum of approximately £18,000.

#### (b) Emergency Unemployment Charge.

Statutory exemption from payment of the wages-tax covers all females employed in domestic service in purely private residences and all workers employed on relief work undertaken by any local authority or public body pursuant to a scheme whereby the whole amount of wages received is refunded to such local body or public authority from the Unemployment Fund. All other wage and salary earners, male and female, are liable for the charge.\*

Exemption from the emergency charge on "other income" is provided in the Act for every person wholly exempt from liability for the general unemployment levy. This refers naturally to males only. In the case of women, who were brought by the 1931 Amendment Act within the scope of unemployment taxation for the first time, the charge on "other income" was made applicable only on a total income from all sources (whether assessable income or not) of not less than £250 per annum.†

It has already been mentioned that the emergency charge on income other than salary or wages is imposed on almost every class of income whether assessable or not for income-tax purposes. Practically the only exemption in this respect is in regard to income derived from a British country overseas by a person resident in New Zealand and on which a special unemployment-tax is chargeable in that country.

<sup>\*</sup> The 1932 Amendment Act exempts persons under the age of sixteen years. † Reduced by the 1932 Amendment Act to £20.

By the Unemployment Amendment Act, 1932, the Unemployment Board is given the same power to exempt any person on the grounds of hardship or to postpone the date of payment of the emergency unemployment charge as it has in respect of the general unemployment levy.

#### NATIVES.

Statutory exemption from payment of the general unemployment levy is granted to every Native within the meaning of the Native Land Act, 1909; but any such Native may, with the consent of the Board, elect to become liable for the levy. Maoris who elect to accept the liability thereupon become subject to the same obligations as any other person liable for the levy, and become entitled to apply for participation in the benefits of relief funds.

At the 31st March, 1931, the number of Maoris admitted as contributors to the Fund was 1,827; at the 30th June, 3,652; at the 30th September, 4,973; and at the 31st December, 5,768. By the 31st March, 1932, the number had reached 6,607, and at the end of October, 1932, was 8,000.

The Maori population, including half-castes, is 68,000, of which 65,000 are in the North Island. The number of males between twenty and sixty-four years of age is 15,000; and more than half of these are therefore looking to the Unemployment Fund for relief. The situation calls for immediate

During the past forty years the Dominion was in active process of development. Hundreds of attention. thousands of acres required clearing of bush, grassing and fencing; and extensive public works were in progress. Maoris found, ready to their hand, ample work of a kind that suited them, and incidentally they played a material part in making possible the settlement and development of large areas of country now richly productive in the occupation of Europeans. Meantime, the large areas of land retained under the terms of settlement for the Maoris' own use under the Native system of common ownership remained idle and undeveloped.

Unfortunately for the Maoris, the completion of the major settlement and developmental activities has coincided with the present economic depression. The work upon which they had become accustomed to depend for livelihood has disappeared. The prevailing conditions have closed all alternative channels of employment. They are now out of touch with the communal system of land occupation and cultivation of their forefathers. Yet, their lands are held in common. Some have endeavoured to support themselves by cultivating portions of the land, but their individual efforts are defeated by their lack of protection for their crops against the depredations of other and less energetic joint

The fact that more than half the adult male Maori population have become contributors to the Unemployment Fund points clearly to the means which the Natives are adopting to meet their situation. The disquiet with which the older chiefs view the complacent acceptance of relief by the modern members of their tribes will be shared by all who appreciate the qualities of the Maori race.

The remedy is plain. Maori lands must be individualized as has been the Maori himself. The process must be expeditious, and it must be accompanied by active steps to establish the Maori as a farmer side by side with the European settler.

The Board, actuated by grave concern at the rapid increase of Maori contributors to the Fund, has considered their situation closely, and considers decisive action along the lines suggested to be imperative in the interests of the Native race.

Were any other grounds for action necessary they could be found in the facts that the £166,000 a year now being paid to Maoris on relief works would serve a more lasting and desirable purpose if directed towards settling them on their lands; that a severe handicap is imposed on many County Councils through large areas of Native lands being practically unrateable under joint ownership; and that in such counties land in active cultivation is consequently labouring under an insupportable burden of taxation.

At page 22 reference is made to special grants to the Native Department for expenditure on development schemes organized by that Department to assist in the relief of unemployed Natives.

## PROSECUTIONS FOR BREACHES OF THE ACT.

The majority of prosecutions under the Act have been for failure to register or effect payment Proceedings were instituted in some eight hundred cases up to 31st March, 1932, and in 630 cases fines were imposed upon conviction. In 160 cases the defaulters were convicted and discharged, with or without payment of costs, and in ten cases the informations were dismissed.

Approximately £900 was imposed in fines, of which £411 was actually credited to the Fund by the above-mentioned date.

# EXPENDITURE ON UNEMPLOYMENT RELIEF IN RECENT YEARS.

The Board's report for 1930-31 contained a brief account of the activities of the Government, in the relief of unemployment prior to the setting-up of the Board; and the expenditure incurred since 1926 was quoted therein. During 1931-32 a considerable sum was expended from the Public Works Fund and through other Departments of State on works for the relief of unemployment, apart

from the expenditure by the Unemployment Board. The increase in the cost to the State for the provision of relief to the unemployed in recent years is shown by the following figures:—

Year.	,	Public Works Department (including Main Highways).	State Forest Service.	Other Departments (including New Zealand Railways).	Subsidies to Local Bodies.	Unemployment Fund.	Totals.
		£	£	£	£	£	£
1926-27		130,000	14,240				144,240
1927-28		379,565	27,550		75,106		482,221
1928–29		680,393	50,250	3,500	68,566		802,709
1929–30		914,109	185,400	204,464	111,728		1,415,701
1930-31		1,249,446	82,000	21,933	116,768	313,209	1,783,356
1931–32		886,953	74,000	14,684	11,478	2,216,886	3,204,001
Tota	als	4,240,466	433,440	244,581	383,646	2,530,095	7,832,228

#### NUMBERS OF UNEMPLOYED.

As an Appendix to this report will be found a table showing the numbers of men remaining on the registers of employment bureaux at the end of each week during the period under review. It should be explained that on account of the necessity for keeping a continuous check on men employed on a scheme providing only part-time work, these figures include the men employed through local bodies on relief work under Scheme No. 5. On the other hand, the table does not include numbers of men who would otherwise be unemployed but were engaged during the year on permanent or semi-permanent work made available by means of subsidies or grants from the Unemployment Fund, such men being removed from the register and treated as placements.

The actual registrations are the only data available for viewing the movement in unemployment figures over an extended period. The inherent weakness of such data is that during normal times the majority of unemployed persons do not trouble to register, preferring rather to seek employment on their own initiative. Evidence of this weakness is contained in figures quoted in the Appendix to the Board's first report, where it is shown that although there were 10,694 male wage-carners unemployed at the date of the last census, 20th April, 1926 (prior to the inception of the present relief system), the number of unplaced applicants on the books of the Labour Department at the end of the week in which the census day fell was only 576, the weekly average for that year being 1.196.

Immediately, however, on the establishment of a State-controlled scheme for relieving unemployment on a large scale, such as that necessitated by present conditions, the registration system, which is an essential part of the organization, is availed of by practically every person who finds himself unable to secure work in his usual sphere of activity, and incidentally by considerable numbers who normally are unemployable or work only intermittently, but who do not hesitate to seek to participate in benefits provided for genuinely unemployed wage-earners.

As a general indication, however, of the movement in the registrations of unemployed since the beginning of 1930, the following table presents the numbers on the register at the end of each month during that period when unemployment attained its most acute stage in the history of the Dominion. In view of the position during the recent winter months, figures are shown up to the end of September, 1932. They do not include men temporarily removed from registers, and working under schemes other than No. 5, but yet a charge on the Board's funds:—

		1930.	1931.	1932.
Last week in—	 İ			
January	 	2,572	16,607	45,654
February	 	2,520	27,662	44,107
March	 	3,130	38,028	45,383
April	 	3,379	36,981	50,093
May	 ,	5,084	42,523	53,543
June	 	5,491	45,264	54,342
July	 	5,360	47,772	55,837
August	 	5,463	50,033	56,332
September		6,025	51,375	55,728
October	 	6,018	50,284	• •
November		7,402	47,535	• •
December	 	11,371*	45,140	• •

<sup>\*</sup> This number recorded just prior to Christmas. In the following week the figure dropped to 7,596, owing to the placing of a considerable number of men on a special temporary scheme.

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In 1931 the peak figure of 51,408 was recorded in the first week of October, and this experience has been more or less repeated this year, with the maximum number of registered unemployed standing at 56,498 in the second week of September. At this time of the year a certain amount of allowance must be made for re-registration of men who have completed engagements for various periods on subsidized farm work under Scheme 4A, owing to restrictions imposed by the Board on the class of work applicable in view of the approach of normal seasonal activity.

Mention has been made of the number of "unemployables" and other men included in registrations of unemployed, but not considered to be eligible for relief from the Unemployment Fund. Since October, 1931, returns have been obtained from employment bureaux, with the object of dissecting the registrations at the end of each month according to whether or not the men concerned received any relief work on a rationed basis during the month; and the results from October, 1931, to September, 1932, inclusive, for relief work given under Scheme 5, are tabulated hereunder:—

Approximate Numbers of Registered Unemployed at End of Month according to Eligibility for Relief under Scheme No. 5.

	Octo		Nove 19	mber, 31.		mbe <b>r,</b> 31.*		ıагу, 32.		uary, 32.		rch, 32.
Classification.	Number.	Percentage of Total.	Number.	Percentage of Total.	Number.	Percentage of Total.	Number.	Percentage of Total.	Number.	Percentage of Total.	Number.	Percentage of Total.
Eligible men who were receiv- ing relief	42,500	84.5	40,400	85 · 1	40,300	89.4	38,800	84.9	37,450	84.9	38,400	84.6
Registered less than fourteen	2,300	4.6	2,200	4.6	1,650	3.7	2,250	4.9	2,300	5.2	2,600	5.7
days Receiving no relief because of doubtful eligibility	4,500	8.9	4,000	8.4	2,500	5.5	4,000	8.8	3,750	8.5	3,550	7.8
Definitely not eligible	1,000			` 1.9			650					
Total registered unemployed	50,300	100.0	47,500	100.0	45,100	100.0	45,700	100 · 0	44,100	100.0	45,400	100 · 0

		ril, 32.	Ma 19			ne, 32.	Ju 193	ly, 32.		ust, 32.		mbe <b>r,</b> 32.
· Classification.	Number.	Percentage of Total.	Number.	Percentage of Total.	Number.	Percentage of Total.	Number.	Percentage of Total.	Number.	Percentage of Total.	Number.	Percentage of Total.
Eligible men who were receiv-	40,800	81.4	45,000	84 · 1	46,850	86.3	49,100	88.0	50,450	89.6	50,050	89.9
ing relief Registered less than fourteen	4,150	8.3	3,350	$6 \cdot 3$	2,900	$5\cdot 3$	3,100	5.6	2,500	$4 \cdot 4$	2,250	4.0
days Receiving no relief because of	1		3,600	6.7	3,200	5.9	2,750	4.9	2,350	4.2	2,500	4.5
doubtful eligibility Definitely not eligible	1,600	3 · 2	1,550	$2 \cdot 9$	1,350	2.5	850	1.5	1,000	1.8	900	1.6
Total registered unemployed	50,100	100.0	53,500	100.0	54,300	100 · 0	<b>5</b> 5,800	100.0	56,300	100.0	55,700	100.0

<sup>\*</sup> The proportions at the end of this month were affected by the Board's special grant for Christmas relief, which was largely distributed amongst those who had received no other relief during the month.

It will be seen that there is always a fair proportion of the registered unemployed not engaged on relief work, of which a considerable number represents new registrations or re-registrations. In regard to the men excluded from awards of relief owing to doubtful eligibility, these include those who would perhaps have been granted some assistance from the Fund if sufficient finance had been available, but whose relative degree of necessity was hardly sufficient to warrant their participation in relief under prevailing conditions.

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In order to show what may be designated the total unemployed for the period under review, apart altogether from considerations of eligibility, &c., the next table presents the approximate numbers of men who at the end of each quarter shown were either applicants for relief work or were working full or part time under the Unemployment Board's schemes.

			Quarte	r ended		
	30th June, 1931.	30th September, 1931.	31st December, 1931.	31st March, 1932.	30th June, 1932.	30th September, 1932.
Registered applicants, ineligible or	6,700	7,600	4,800	7,000	7,450	6,540
unplaced Working on Scheme No. 5	38,600	43,800	40,300	38,400	46,850	49,190
schemes— Subsidized employment on farms,	5,800	2,440	6,000	7,600	11,500	12,200
Schemes Nos. 4A, 4B, &c. Camps (mostly single men) Gold-prospecting (apart from Scheme		750	900	$\begin{array}{c} 1,345 \\ 75 \end{array}$	$\substack{2,465\\235}$	3,665 255
No. 5) Building-subsidy Scheme (No. 10) Miscellaneous			50	100	150	1,620 180
Total men on relief	44,400	46,990	47,285	47,520	61,200	67,110
Total "unemployed"	51,100	54,590	52,085	54,520	68,650	73,650

Note.—Maoris employed on development schemes under the control of the Native Department are excluded from the above table.

A consideration of unemployment figures is hardly complete without a comparison of the position in New Zealand with that obtaining overseas. The appended table shows the relative intensity of the problem in this Dominion and in certain other countries, the statistics quoted for the latter being the latest available at 31st March, 1932. For the purposes of comparison, the proportion of unemployed to total population in April, 1931, is also shown.

Country.	Date.	Number of Unemployed.	Population (as at 31st March, 1932, or	Nun of Unen per 1,0 Popul	000 of
•		1 .	nearest available Date).	March, 1932.	April, 1931.
New Zealand	1932.  End of March ,, End of February End of January End of April End of March	$ \begin{cases} 45,400* \\ 54,520\dagger \\ 2,809,100 \\ 100,000 \\ 23,600 \\ 24,000 \\ 10,600,000 \end{cases} $	1,521,900 46,036,500 2,507,100 584,000 1,800,000 122,775,000	$ \begin{cases} 30 \\ 36 \\ 61 \\ 40 \\ 40 \\ 13 \\ 86 \end{cases} $	24  43 46  6 49
United States Germany	,, ,,	6,127,800	64,583,000	95	73

<sup>\*</sup> Registered unemployed. † Estimated total unemployed (see previous table).

Owing to the varying methods of recording the number of unemployed it is practically impossible to arrive at a fair basis of comparison, but the above figures show that unemployment in New Zealand has fortunately not by any means attained the same relative magnitude as in some other countries.

## LOCAL UNEMPLOYMENT COMMITTEES.

Valuable assistance has been rendered during the year by Local Unemployment Committees set up to co-operate with the Unemployment Board in the relief of unemployment, and the Board desires to record its appreciation of their services. A number of new committees was set up during the year, and a few committees resigned for various reasons. In some cases in which committees had ceased to function they were not replaced. At the end of March some 180 local committees were in existence, excluding sub-committees operating in outlying districts.

During the year a special Executive Committee was appointed in Southland, following a visit to that province by members of the Board. This committee has functioned in a most efficient manner, keeping in touch with unemployment relief administration throughout the province, and assisting the Board to prosecute a vigorous policy of putting reproductive work in hand with relief labour.

The Board has developed this system of control on an extensive scale in Central Otago, where practically all unemployed are engaged under the subsidized gold-mining scheme. The results have been exceedingly satisfactory, and it is planned to apply it to other areas in conjunction with proposals for extensions of the gold-mining scheme. The arrangements operating in Central Otago make available an organization ideal for the Board's purposes. The Board is enabled to operate through a committee of a statutory body, and so satisfy audit requirements; it becomes linked with the local authority controlling roads and bridges; it secures the benefit of County Councillors' intimate personal knowledge of the area; it has the benefit of the services of county engineering and other staffs; and generally derives advantages from the arrangement which could not otherwise obtain even at considerable expense.

#### SCHEME No. 5.

Relief work provided on a rationed basis through the medium of Borough Councils, County Councils, and other employing authorities under Scheme No. 5 has been the main channel for the

expenditure of unemployment funds throughout the period now under review.

In the introductory portion of the report the method of primary allocation of funds to centres is outlined. The secondary allocation is made at the local centres, at most of which the degree of need of each individual on its register is known personally to the certifying officer, but in any case is a matter of record. It is the duty of each certifying officer, acting usually in consultation with the Local Unemployment Committee, if such is operating in his centre, to weigh the claims of individuals, and, within the several classifications, to grant relief in the greatest measure to cases of greatest actual individual need. From time to time the eligibility of individual applicants for relief is reviewed in the light of possible changes in their family responsibilities or other relevant factors likely to affect their qualifications for relief. A factor to which special attention is paid is the efforts of the individual to supplement his measure of relief by every means in his power. It is required, for instance, that he must cultivate a vegetable garden either on his household property or on other land made available to him for this purpose.

Prior to the time when unemployment in New Zealand became a major problem it had been met by the institution by certain State Departments of special works, largely road making and improvement, with the aid of ordinary Government funds. These were known as "relief works," and regular wages paid in respect of them were necessarily lower than the ruling wages, and were called "relief wages." With the rapid accentuation of the problem a change occurred in the situation which is not generally appreciated. It no longer continued possible with the finances available, and the high number of registrations, to pay fixed and regular "wages" on works put in hand for relief purposes. The term "relief wage" became a misnomer. It is still frequently used; but the benefits available through the present machinery can, in fact, be only "scales of relief," awarded in terms of work, and varying in their availability according to the finances in hand, and the degree of individual need. Opportunity is taken to emphasize this distinction between past and present conditions.

Alterations in Scales of Relief.—In October, 1931, the rule covering the maximum amount of relief permissible to single men was altered to provide for special cases of distress where single men have indigent and aged parents or brothers and sisters under the age of sixteen years wholly dependent on them. Authority was given for the granting, in such cases, of relief on the same basis as to married

men.

The following is the revised maximum scale of relief under Scheme 5, which has applied for each week in the four main centres since June, 1932, when as a result of the additional revenue obtained it became possible to make this increase in the scale.

Class.	Number of Days per Week.	Total Weekly Relief.
Single man  Married man—  Without children  With one child under sixteen years  With two children under sixteen years  With three or more children under sixteen years	. $2\frac{1}{2}$ . $3$ . $3\frac{1}{2}$	£ s. d. 0 15 0 1 5 0 1 10 0 1 15 0 2 0 0

As has been earlier mentioned, the Unemployment Board, almost simultaneously with the institution of these increased scales of relief, assumed responsibility for the issue of certain relief in the shape of food rations formerly granted by Hospital Boards. Some relief workers who had previously been in receipt also of the hospital relief were accordingly granted a measure of ration relief in addition to the increased relief work scale. The rations are procurable from tradespeople on presentation of official orders, which are issued only in specially deserving cases.

The position following the introduction of these alterations was watched closely by the Board, and it quickly became evident that it would be impossible to make them applicable over the whole Dominion. In order, however, to benefit relief workers in secondary centres and country districts during the winter months, arrangements were made to allocate sufficient moneys to implement the granting of the maximum amount of relief work permissible under the scale to all those whose circumstances were considered to warrant such treatment.

The average weekly amount refunded to local employing authorities in respect of relief paid to unemployed engaged under Scheme No. 5 during the months of July, August, and September, 1932,

was approximately £65,000.

Towards the end of September the Board reviewed the position as regards the maximum rates of relief payable per day—viz., 9s. for single men and 12s. 6d. for married men, still obtaining in districts outside the four main urban areas. It was decided to alter such rates to 7s. 6d. and 10s. per day for single and married men respectively, thus bringing them into line with the amended daily rates in the four urban areas and with ruling rates of pay in the Public Works Department.

At the same time the periods of employment were proportionately increased so that relief

workers in these districts suffered no monetary loss as a result of the revision.

Alterations in Scope of Scheme.—Variations other than those affecting the general scale of relief have been made in the original rules of Scheme No. 5, principally in the direction of extending the classes of employing authorities where work of a genuinely reproductive nature is made available; of modifying the rules as to the amount of relief work which may be authorized; and of altering the periods in which such work may be performed in special cases where the nature and location of work preclude engagement of men on an intermittent basis.

The Board now permits the employment of men for continuous periods equivalent to the ration of relief work they would ordinarily have received over a four-weekly period. At the termination of such continuous employment the men stand down for the remainder of the period. This arrangement has permitted many employing authorities to undertake land-drainage, river-protection afforestation, and improvement of backblocks roads by accommodating the men on the job, and

thus reducing transport costs to a minimum.

Other difficulties in the way of utilizing relief labour on reproductive work of a nature that it is undesirable to interrupt after commencement have been removed by the Board in an endeavour to benefit all concerned. The Board's general policy in respect of such works is to offer to meet the cost of employing men full time (usually forty hours per week). This cost represents the maximum ration of relief work which may be granted. Funds are allotted separately for work of this nature; and, as a general rule, preference is given to the employment of married men. A great deal of developmental work, such as clearing of stumps, logs, scrub, &c., repair of flood damage and other useful work, has been done by this means, resulting not only in benefit to the districts affected, but indirectly to the whole Dominion, whilst the men themselves receive increased monetary assistance during the time they are so employed. In Auckland Province some hundreds of men have been drafted from Auckland City to country work on these terms, the local bodies making arrangements for camping facilities or other suitable accommodation, with the men "finding" themselves and making suitable provision from their relief money for the support of their wives and families.

A further innovation under Scheme 5 facilitated by the passing of the Finance Act, 1931 (No. 4), Part 2, made possible the employment of Scheme 5 labour by local authorities for the benefit of private property. As farmers in general were unable, because of the depression, to meet the whole cost of labour in carrying out much developmental work that was available on farm lands, the Board invoked the co-operation of employing local bodies, principally County Councils, towards the

employment in approved cases of such labour on farms.

Conditions imposed were that the work to be performed should be of a reproductive nature, such as drainage, creek-clearing, land-clearing, and general land-development; and that the extent of the work was not sufficient to warrant the continuous employment of, or that no accommodation was available for, a relief worker under Scheme 4A. The main consideration was that no regular farm employee should be displaced by a relief worker. Provided this and lesser conditions were complied with the Board facilitated the transfer of relief labour to useful work on private properties.

Under this arrangement, which has been extensively availed of, a considerable amount of farmimprovement work has been carried out. Much of this work, particularly land-drainage and noxious-

weed destruction, benefits the district generally as well as the individual occupier.

Under this variation of Scheme 5 local bodies remain the employing authorities, and, generally speaking, the men's remuneration is met from the Unemployment Fund. It is permissible for a local body to secure a contribution from the farmer sufficient to reimburse it for any outlay on supervision, transport, insurance, &c., incurred in carrying out the work. Such contribution may be in cash or by means of a special rate spread over a period. By mutual consent relief workers may work for the farmer after their ordinary relief ration of work is completed in return for extra remuneration, either in cash or kind, or both.

If the value of work done on private properties under this variation of Scheme 5 is such that after making provision to refund any expense to which the local bodies have been put, the owners are in a position to contribute towards the cost of the work, steps are taken to secure a refund to the Unemployment Board of the whole or of a portion of the cost, either at the time or within some

future period.

Classification of Work performed under Scheme 5.—Prior to October, 1931, there were no means of ascertaining without special inquiry the numbers of men employed under Scheme 5 according to the class of work on which they were engaged. With the institution in that month of a return from all certifying officers, such information has since been available, and is of considerable interest in showing how the numbers on reproductive or developmental work have increased in the last twelve months, particularly when it is remembered that almost one-half of the men on Scheme 5 are to be found in or adjacent to the four main centres of population where it is practically impossible to employ them on any class of work which will benefit the Dominion's primary industries.

Following is a table showing the approximate numbers and proportions of men employed on various classes of work under Scheme 5 during the months of December, 1931, March, June, and September, 1932. It will be noted that the proportions engaged on reproductive work rose from 24.3 per cent. in December of last year to 38.8 per cent. in June, 1932, with a slight fall to

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37.6 per cent. in September, 1932, probably on account of increased private employment on seasonal work and also the transfer of a number of men to the repair of earthquake damage on the east

SCHEME 5.-Numbers of Men employed on Various Classes of Work.

·	December	r, 1931.	March,	1932.	June,	1932.	Septembe	r, 1932.
Classes of Work.	Number of Men.	Percentage of Total.	Number of Men.	Percent- age of Total.	Number of Men.	Percent- age of Total.	Number of Men.	Percent age of Total
Reproductive work— Land-drainage General land-development (including vegetable-	2,700 1,390	6·7 3·5	3,250 3,650	8·5 9·5	3,760 6,460	8·0 13·8	3,150 7,360	6 · 3 14 · 7
growing) Protection against river and sea erosion Improvement of backblock roads Afforestation	985 1,900 800	$2 \cdot 4 \\ 4 \cdot 7 \\ 2 \cdot 0$	1,160 1,760 285	$ \begin{vmatrix} 3 \cdot 0 \\ 4 \cdot 6 \\ 0 \cdot 7 \end{vmatrix} $	1,700 2,180 675	$ \begin{array}{c c} 3 \cdot 6 \\ 4 \cdot 7 \\ 1 \cdot 4 \\ 2 \cdot 0 \end{array} $	1,920 1,860 985 1,130	$   \begin{array}{c c}     3 \cdot 8 \\     3 \cdot 7 \\     2 \cdot 6 \\     2 \cdot 3   \end{array} $
Reclamation (including prevention of sand-drift) Other reproductive work (including gold prospect-	555 1,470	$\frac{1\cdot 4}{3\cdot 6}$	$\frac{335}{1,760}$	0·9 4·6	$950 \\ 2,475$	$5 \cdot 3$	2,395	4 · 8
ing)  Totals (reproductive)	9,800	24.3	12,200	31.8	18,200	38.8	18,800	37.6
Non-reproductive work— Formation and improvement of streets, roads, &c. Improvement of domains, parks, and reserves Improvement of school and hospital grounds Other classes of work	19,300 5,630 3,270 2,300	8.1	16,885 4,015 2,990 2,310	7.8	18,385 4,870 2,940 2,455	$   \begin{array}{r}     39 \cdot 3 \\     10 \cdot 4 \\     6 \cdot 3 \\     5 \cdot 2   \end{array} $	19,620 4,890 3,495 3,245	39·3 9·8 7·6 6·4
Totals (non-reproductive)	30,500	75.7	26,200	68 · 2	28,650	$61 \cdot 2$	31,250	62 ·
Grand totals	40,300	100.0	38,400	100.0	46,850	100.0	50,050	100 ·

It has already been explained that for administration purposes men working under Scheme No. 5 are retained on the "live" register, owing to the fact that placements under that scheme fluctuate from week to week; but the numbers on relief work, as compared with the total registered unemployed, have remained fairly constant during the period under review.

At the end of 1931 there were just over 40,000 men working on the scheme, and this number dropped to 37,500 in February, 1932. After this date the figures rose gradually to 38,400 in March, 46,850 in June, and reached the peak figure of 50,450 in August, 1932. During September, 1932,

there were 50,050 men working on the scheme.

## FARM SUBSIDY SCHEMES.

#### Scheme No. 4A.

The Board's report for 1931 dealt with the operation of this scheme up to 31st July, 1931, at which date operations had been suspended to the extent that all new engagements had to be completed by 31st August, while those previously arranged were subject to revision and cancellation after that date, unless the men were definitely additional to labour which would otherwise be employed, and, further, were engaged only on developmental work. This action was designed to prevent the employment of subsidized labour on ordinary seasonal work, which would have had to be done in any case, and consequently there were comparatively few men working on the scheme in September. A much-needed respite was also given the Unemployment Fund, which, as already explained, was at this time barely able to cope with the demands placed upon it. At 31st August, 1931, the Board was committed to a total expenditure of £68,500 for subsidies under Scheme No. 4A, this sum representing some 7,700 individual engagements of unemployed men.

Considerable numbers of men previously working on a subsidized basis were retained by their employers for seasonal work, and those whose employers under the scheme were unable to retain

them were obliged to re-register and seek relief under other schemes.

During September, 1931, the position was reconsidered, with the result that the scheme was resumed, as from 1st October, 1931, for developmental work only, and on the strict understanding that labour engaged thereunder must not displace any man regularly employed by the farmer, nor prevent men from being employed in the ordinary course of farming activities. With the close of seasonal work in February, 1932, the restriction in respect of developmental work was relaxed to permit of almost any work being done so long as the latter conditions were observed. In the following August, with the recommencement of seasonal farming activities, placements were again limited to developmental work during the season. On this occasion the scheme was not actually suspended.

It will thus be seen that the Board has regulated the operation of Scheme No. 4A to meet seasonal conditions in the farming industry. This policy, strengthened by the close check kept by local committees, operated effectively in discouragement of any serious abuse of the privileges given for

carrying out work with relief labour.

This scheme represents the best and quickest method yet tried of placing men in reproductive work for fairly long periods at a cost to the Fund relatively less than that incurred by granting relief under Scheme No. 5; but it has been necessary to introduce every possible safeguard to prevent the operations of the scheme from interfering with ordinary demands for farm labour. The success of the scheme owes much to Local Unemployment Committees viewing the problem from a national standpoint, and on their sound judgment in collaboration with certifying officers, in deciding which farmers may be permitted to employ subsidized labour. It is impossible for a central authority, such

as the Unemployment Board, to do more than lay down broad conditions and to leave it to local officials, honorary or otherwise, to see that the spirit of such conditions are observed to the best

advantage of the unemployed and the relief funds.

From 1st June, 1931, the subsidy payable in respect of all new contracts or extensions of existing contracts under Scheme No. 4A was reduced to 5s. per week for youths aged eighteen or nineteen years, and to 10s. per week for other single men, and £1 per week for married men. In May, 1932, variations of the rates of subsidy were introduced, providing for weekly subsidies up to 10s. to single men and up to £1 5s. to married men according to individual responsibilities, and taking into consideration the additional wage (if any) paid by the farmer over and above the free board and accommodation supplied by the latter. Information extracted from the records show that the average weekly wage paid by the farmer over and above the Board's subsidy is 5s. 7d. for single men and 12s. 5d. for married men.

On 1st August, 1932, the basis of subsidy payable from the Unemployment Fund to married men engaged under Scheme No. 4A was altered to 15s., with the addition of 2s. 6d. for each child under the age of 16 years, but not exceeding a maximum weekly subsidy of £1 5s.

Expenditure by the Board on this scheme for the financial year ended 31st March, 1932, totalled £115,165. From the inception of the scheme in February, 1931, to the end of September, 1932, the expenditure totals £268,200, representing the cost of subsidies paid in respect of 33,231 individual engagements.

The number of men actually working on a subsidized basis through Scheme 4A at the end of each month from April, 1931, to September, 1932, inclusive, is quoted hereunder:—

							Number of Men.	
		End of M	onth.			Single.	Married.	Totai.
_		1931						
April						1,887	635	2,522
May	• •	• •				3,257	933	4,190
June				• •		3,768	970	4,738
July		• • •	• •			4,466	1,125	5,591
August						4,049	899	4,948
September						900	293	1,193
October	• •					2,708	810	3,518
November						3,456	958	4,414
December		••				3,666	964	4,630
		1932					:	
January						3,911	1,067	4,978
February						4,272	1,176	5,448
March	• •					5,082	1,409	6,491
April						5,658	1,568	7,226
May						6,303	1,896	8,199
June						7,843	2,361	10,204
July						8,875	2,693	11,568
August						8,617	2,645	11,262
September						7,472	2,307	9,779

The average number of men engaged throughout the twelve months ended 30th September, 1932, was 7,310.

The distribution of the 9,779 men working at the end of September, 1932, according to amount of subsidy being paid, was as follows:—

Single me	n						
5s. or	less			 	 		860
Over	5s. and und	er 10s.		 • •	 	• •	15
10s.	• •	• •	• •	 • •	 • •	• •	6,597
	Total	• •		 • •	 • •	•	7,472
Married m	nen—						
	or less			 	 		185
Over	15s. and un	der £1		 	 		196
£1				 	 		1,729
£1 2s	. 6d			 	 		76
£1 5s.		• •		 	 		121
	Total			 	 		${2,307}$
	Grand t	otal	• •	 	 		9,779

#### Scheme No. 4B.

With the approach of the 1932 winter it became evident that farmers were finding the prevailing economic conditions so severe that the expense of paying two-thirds of the labour cost of contracts for developmental work presented no small difficulty. This state of affairs soon became reflected in a falling-off of applications for labour on a contract basis, and as the Board was desirous of continuing this scheme in view of the fact that it is probably the best method of ensuring that value is received for work done by relief labour, the Board decided in July, 1932, to raise the subsidy basis to 50 per cent. of the contract price.

Since then applications have increased to well above the normal figures experienced in the corresponding period of 1931. At the end of September, 1932, there were 784 contracts actually in force providing for the employment of 1,609 men, while 883 contracts had been completed by that date. Some 2,032 men had been paid off as a result of completed contracts, so that altogether a total of 3,641 men had been placed under Scheme 4B, at an estimated cost in subsidies of £37,000.

In the supplementary portion of the Board's report for 1931 figures were quoted showing the extent of developmental work to be carried out by contract labour under this scheme. This information is now brought up to date, and from the following statement some idea may be gained of the value to the community of the developmental work on farms already done or to be carried out eventually by means of contracts approved under one of the minor schemes of the Unemployment Board:—

							Aeres.
Scrub-cu	tting	• •				 	 52,730
Bushfelli		• •				 • •	 17,750
	g, gr	ubbing, &c.	• •			 • •	 7,815
				• •		 	 2,235
Ploughin	g an	d harrowing				 	 2,100
Top-dres	$\sin g$				• •	 	 840
							Chains.
Fencing						 	 26,620
Draining						 	 20,875
Roading						 	 8,875
	Split	tting posts, b	attens, a:	nd strai	ners		
	-	Posts and str	rainers			28,000	
		Battens				137,100	

It is estimated that the above work will make provision for the carrying of the following additional stock: Sheep, 79,200; cattle, 16,500; poultry, 500; pigs, 80.

#### Farm Camp Scheme.

This is a recent subdivision of Scheme 4, necessitated by the inability of many farmers to avail themselves of Schemes 4A or 4B. Small camps of single unemployed men are set up on farmers' properties, and the labour may be utilized for developmental work only. Each camp must absorb a minimum of four men, the remaining conditions of employment being similar to those laid down under the rules of Scheme 4A. The men receive a subsidy of 10s. per week, and, in addition, the Unemployment Board pays the farmer up to 7s. 6d. per man per week to help to meet the cost of providing food and accommodation.

Numbers of farmers, particularly Crown tenants, who for financial reasons are unable to employ men through Scheme 4a, but nevertheless are in definite need of additional labour to develop their holdings, are being granted the use of unemployed labour under this scheme. At the same time a new avenue of productive work for the unemployed has been opened. In order not to preclude small farmers from participating it is permissible for several farmers to organize a camp of not less than four men to carry out work on a co-operative basis, work being done on each property in turn. By the end of September, 1932, some 950 men had been given employment in farm camps, the

By the end of September, 1932, some 950 men had been given employment in farm camps, the estimated cost of the engagements (including allowances payable to the employers) being £13,200. There were 535 men in farm camps on 30th September, 1932, under this scheme.

## Scheme No. 11.

Large areas of pastoral country in New Zealand are Crown land held under lease. During the current period of depressed prices for wool many leaseholders, especially those whose lands are in high country, are unable to undertake the cost of holding the rabbit pest in check. A consequent danger arose of such pastoral areas becoming overrun with rabbits.

The most recent of the Board's employment schemes (No. 11), formulated with the co-operation of the Department of Agriculture, was devised to deal with the situation. Under its provisions private owners or occupiers of rabbit-infested lands may apply for the services of eligible relief workers through an employment bureau after approval of the proposed activities by an officer of the Department of Agriculture. The employer must provide camp equipment, food, implements, rabbit-poison, and all other necessary materials, and also insure the men against accident or injury. All rabbit-skins obtained remain the property of the workers.

The Unemployment Board pays a subsidy of £1 per week for each single man and £1 10s. per week for each married man engaged, plus 5s. per week to the employer as a contribution towards the cost of food supplied to each man.

In the case of unoccupied Crown lands which are infested with rabbits, workers may be engaged by a Stock Inspector, the necessary camping equipment and other requirements being found by the Lands Department, which appoints an overseer to supervise each gang of workers, who also retain the rabbit-skins. Payment to the men in this instance covers the cost of food, which they are required to provide themselves. The rates are £1 15s. per week for single men and £2 5s. for married men, which amounts include a contribution of 10s. per week from the Lands Department.

#### CAMP SCHEMES.

Early in September, 1931, the problem of finding sufficient useful work to occupy the large numbers of unemployed men in the cities and larger towns was becoming acute. The Board, after careful deliberation, therefore embarked on a new policy of transferring groups of single men to useful works in rural districts. It was decided, first of all, to experiment with the transfer of up to a thousand single men from the larger centres; and, as the setting-up of camps was a necessary factor in such a scheme, the co-operation was obtained of the Public Works Department, which had the required organization and equipment readily available.

The work selected for the initial experiment was the improvement of roads, mostly secondary highways, suitable work in this direction being available through the medium of the Main Highways Board, which at that time was in a position also to bear a proportion of the cost. The Main Highways Board agreed to meet the cost of establishing the camps and of providing utensils and food, the Unemployment Board paying the men according to a contract scale, laid down on the basis of individual

effort, and averaging 10s. per man per week.

The cost of transporting the men to camp was met by the Unemployment Board, which imposed a safeguarding condition that they must remain in camp at least a month or, if they left without good reason or were dismissed for misconduct within that time, that they must refund the cost of their fares. Failure to comply cancelled eligibility for further relief work under any scheme.

At that time, owing to pressure on the Board's funds, the measure of relief available under Scheme 5 to single men in the cities and towns was restricted, and those entering camp undoubtedly bettered their condition in that they were assured of good food and accommodation with some cash payment equal to if not greater than funds permitted their earning on Scheme 5.

Very little time was lost in establishing the camps in districts ranging from North Auckland to Southland; and during October an average of 840 single men were engaged on the scheme, which was

designated 6A.

An opportunity of setting up camps for unemployed single men on similar conditions was offered to other Departments of State, to local bodies and others, and was accepted in certain instances, this

division of the scheme being known as 6B.

Later the scope of the Camp Scheme was extended, under the heading 6c, to provide for the undertaking of land-improvement, especially land-drainage and other classes of developmental work such as sand-dune reclamation, clearing willows from streams, irrigation, afforestation, and in one special area the cutting-back of hawthorn hedges to prevent the spread of fire-blight. Camps were to be established by the most convenient method and on the best possible terms so far as expenditure from the Unemployment Fund was concerned. The men placed therein were not necessarily restricted to unmarried men.

The original scheme arranged with the co-operation of the Main Highways Board lasted six months, after which the Main Highways Board reported that its funds could no longer bear the charges previously met from that source. The Unemployment Board's contribution was, therefore, raised in April, 1931, to £1 1s. per man per week, and was further increased the following month to a maximum of £1 10s. per man per week until the work already in hand was completed.

This maximum was also applied to camps established under Scheme 6c, except in very special circumstances where the value to the community of the work undertaken was likely to warrant an exception being made. Since April, 1932, only those works having a definite value to the community have been put in operation by means of relief labour in camps, and usually some contribution has been required from the local authority or, in the case of private properties, from the owners.

The appended table shows the approximate numbers of men engaged at the end of each month

on work under the various camp schemes from their inception till September, 1932:—

	70.05	т.		Main Highways Work	Board and Public s Camps.	Out o	Total Numbe	
${f Month.}$				Highways and Roads.	Land-development, &c.	Other Camps.	of Men.	
	1931	l.						
September				650	10	90	750	
October				820	90	110	1,020	
${f November}$				875	85	20	980	
$\operatorname{December}$		• •	• •	780	80	40	900	
	1932	2.						
January				855	130	50	1,035	
February				900	275	50	1,225	
March				930	355	60	1,345	
April				965	495	40	1,500	
May				955	735	50	1,740	
June				1,055	870	540	2,465	
July				1,255	1,175	850	3,280	
August				1,250	1,350	790	3,390	
September				1,125	1,590	950	3,665	

The increase during recent months in the number of men under the first heading is accounted for by special work put in hand by relief labour for the improvement of backblocks roads. It will be noted that the numbers in "other camps" since May, 1932, have risen considerably; this is principally on account of camps established by the State Forest Service.

18 H.-35.

#### GOLD-MINING AND PROSPECTING.

There are several large gold-bearing areas in New Zealand. In earlier years these goldfields saw great activity, and large quantities of gold were won. In time, however, the gold became less easily won, costs rose, and, especially of late years, the price of gold fell. The ultimate effect of these combined factors was that although extensive deposits of gold were still believed to exist, efforts to discover and work them gradually languished.

One of the few redeeming features of the present economic situation, however, is the reversal of the relationship between the price of gold and its cost of extraction, making it one of the few products that stand at a premium. Revived interest in the goldfields followed naturally, and the Board decided that efforts to encourage the movement were fully justified. The work, though hard, holds an unfailing interest for those engaging in it, while it has a sustaining effect on independence of spirit, and

also gives opportunity of financial independence.

Reference is made in the Board's report for last year to the grant of £2,000 made to the Mines Department for assisting some one hundred married men to go out prospecting in the autumn of 1931. With the approach of spring the Board, encouraged by results already shown, arranged to divert large numbers of relief workers to take up gold-mining activities. The Mines Department extended all its available facilities to assist the Board in this project, supplying reports on the most suitable localities and offering the co-operation of its Mining Inspectors and other organization.

The West Coast of the South Island, an important gold-mining centre in past years, was selected Rules were drawn up early as the first area for placing men under a special division of Scheme No. 5. in November, 1931, providing for payment of £1 10s. per week to married men and 15s. per week to single men for prospecting in approved localities, the men being required to provide the necessary equipment. The men retain the proceeds of gold won, with a proviso, however, that when such proceeds

attain a certain figure the weekly payment may be reduced or discontinued.

Thames and Coromandel districts and the Provinces of Nelson, Marlborough, Otago, and Southland were then brought within the scope of arrangements on these lines, and a subsidiary scheme, No. 8A, was evolved for sending out self-contained parties under the leadership of experienced unemployed miners or prospectors to approved areas in which no direct supervision could be maintained. Payment to the men in these areas, either through the medium of a local body or by way of a direct subsidy, has remained generally on the basis quoted above, and with some exceptions, where special reasons apply, the men must undertake to refund to the Unemployment Board 10 per cent. of the value of all gold won during the period they are assisted up to the full amount of financial assistance given.

Arrangements have been made in some special instances, where it has been found desirable to transfer a number of men from the cities or towns to suitable localities, to advance the cost of fares, equipment, tents, &c., on condition that this cost is recoverable from the men through the proceeds

of gold won as a result of the assistance granted.

Such refunds and also the general refund of 10 per cent. are utilized by the Board in meeting the expense of equipping and transferring other men to this work, with the object of making them The scheme, therefore, has the special advantage that independent of unemployment relief.

expenditure from the relief funds is recoverable, and may be used over and over again.

Scheme 8A has recently been supplemented by the creation of a further subsidiary scheme, No. 8B; under which companies or syndicates may employ registered unemployed men to prospect the companies or syndicates' claims, receiving from the Board a subsidy on the wages paid. In addition to refunding the cost of such subsidies when they reach the gold-winning stage, the companies or syndicates must further undertake not to pay any dividends or dispose of their rights until refund has been made.

By fostering these schemes the Board has attained a two-fold objective. In the first place, districts which are largely mineral-bearing are not suitable for extensive operation under the farming schemes. The gold-mining scheme has enabled unemployed men hitherto engaged on unproductive work in those districts to be placed on useful and congenial work. Secondly, by the transfer of men to gold-mining and prospecting, production of the only primary product bearing an enhanced value has been increased

to a considerable extent.

considerable extent. This is borne out by recent increases in gold-export figures.

At the present time the most extensive activities are in Central Otago, where the Board has arranged a special organization for absorbing large numbers of the unemployed on gold-mining, with the co-operation of executive committees formed from the Vincent, Lake, Tuapeka, and Maniototo County Practically every eligible unemployed man in these four counties has been placed under the special gold-mining scheme, and numbers of men have also been transferred to those districts from other The possibilities of the whole area are being thoroughly explored, and the Board has arranged for suitable supervision by experienced miners, who are controlling and instructing the unemployed men in the best methods of mining and prospecting. The whole operations are superintended by a competent mining engineer. By means of special grants from the Unemployment Fund the County Councils concerned have been enabled to advance certain equipment, such as tools, tents, &c., to men The cost of these advances is a first charge on any unable to provide such requisites themselves. gold won by subsidized miners.

Evidence is already to hand that steady returns of gold are being made by unemployed prospectors in Otago, and in some instances the "strikes" have been of a sensational nature. Expressions of appreciation of the Board's assistance, and of the advice and help given by supervisors and the mining

engineer, have been received.

Gold-mining operations during the winter, particularly in Otago, were necessarily restricted by weather conditions, but during the present summer, operations have been considerably extended. In September, 1932, there were over 1,400 subsidized men engaged on the goldfields. Since that date further expansion has taken place in the Board's activities in this sphere.

A considerable amount of assistance has also been made available by the Board for the construction and improvement of tracks to provide access to mineral-bearing areas and also for the building and

reconditioning of water-races so that sluicing claims may be worked by unemployed men.

#### SMALL FARM PLAN.

The introduction in April, 1932, by the Right Hon. J. G. Coates, of legislation implementing the introduction of the Small Farm Plan, gave definite expression to the policy of, wherever possible, granting relief to unemployed in such a form as to serve the best interests of recipients and at the same time to put a period to the length of their dependence on relief.

This scheme, launched on 1st June, 1932, under the direction of the Department of Agriculture, provides for the settlement of unemployed and their families on small leased holdings of ten acres or

more, in strategic positions where casual employment on surrounding farms may be secured.

The cost of establishment, including the erection of cottages, provision of necessary improvements and the transport of personal effects, is met out of a special vote, and is recoverable by way of amortized rent. Transport of the families to the location, and payment of sustenance allowance during the initial period of their occupation, are borne by the Unemployment Board.

Families are selected on considerations of suitability. The effect in practice is that families whom economic pressure has displaced from wage-earning occupations are provided with new niches as independent social units, with a permanent home, and the means of themselves producing their main necessities of life, in an environment favourable to their augmenting the latter with earnings in cash or goods in kind.

In addition to the settlement of small areas, the scheme has allowed of a variation to enable land owners to establish share-milkers on their properties under definite contracts with the Crown. Under this division, cottages and sheds are erected by the Crown, conditional upon the employment of an unemployed worker with a family.

Settlements effected, or under consideration, are as follows:—

DICILL	mis officers, of affact come	nacialion,	are as n	7110 44 9	• • • • •					
	Small farm leases									418
	Share-milking proposals		• •		٠.					266
										684
Tota	al Capital Liability involved	l (approxi	mate)—							£
	Small farms								109	,000
	Share-milking proposals	• •	• •	• •		٠.		٠.	67	,000
									£176	,000
	0 1 1 1 6 11 (								<u> </u>	£
	Capital cost per family (a				• •		• •		٠.	260
	Average annual rental of	small farm	ıs		• •				• •	9

The results of the Small Farm Plan in operation have demonstrated its suitability for considerable expansion; and legislation to permit this is at present before Parliament.

#### UNEMPLOYED YOUTHS.

Although the Board's statutory functions are principally concerned with the relief of unemployment among adults over the age of twenty years, unemployment amongst youths, due to contraction of normal employment channels, is a matter which has naturally given the Board concern, and in which it has facilitated by way of special grants, as funds permitted, the activities of voluntary organizations in this field.

One thousand eight hundred youths have also been absorbed under the Board's Scheme 4A with subsidies from the relief funds; and a small special scheme (No. 7) of an experimental nature is conducted by the Board under which youths contract to remain one year on sheep-stations, the owners of which agree to furnish the boys with opportunity for obtaining a general knowledge of farm work. The lads are required to conform to the discipline of the stations, but are not treated as ordinary farm hands. An essential condition of the plan is that no normal labour on the stations may be displaced to secure the services of boys. A small weekly cash payment is made by the Board to the youths.

to secure the services of boys. A small weekly cash payment is made by the Board to the youths.

The Board has authorized the payment of £25 each in respect of New Zealand soldiers' sons admitted up to the end of March, 1933, to Flock House, a farm-training institution originally established some years ago by New Zealand sheepowners in acknowledgment of their debt to British seamen in respect of the war period 1914–18.

During 1932 a comprehensive review of the unemployment situation as it affects youths was conducted by Messrs. A. E. Ansell, M.P., and S. G. Smith, M.P., whose report to the Government contained valuable information and recommendations.

#### EMPLOYMENT OF RELIEF LABOUR ON AFFORESTATION.

Afforestation, by reason of the reproductive nature of the work and the fact that its period of greatest activity (the planting season) falls in mid-winter, is generally recognized as an eminently suitable avenue for the absorption of relief labour. The Board has therefore been glad to co-operate with the State Forest Service in the employment of considerable numbers of unemployed on tree-planting. This co-operation has been of mutual advantage, as the contraction of the State Forest Service vote, in general with those of other Departments, created a difficulty in the disposal of large numbers of nursery stocks which had been grown for planting purposes.

It is hoped to extend the association between the Board and the State Forest Service during the next planting-season if the need for relief activities remains unabated.

## ASSISTANCE TO FLAX INDUSTRY.

The cultivation of Phormium tenax (New Zealand flax), an industry natural to the Dominion, and one which normally employs considerable numbers of men, was threatened with extinction owing to reduced prices for fibre and to keen competition from hemp- and sisal-producing countries. flax grows largely in swampy areas which, under cultivation, require constant maintenance in the way In line with its general policy of facilitating production and assisting towards the proper of draining. upkeep of the means of production in cases of industries natural to the country, the Board took steps to implement the reabsorption of large numbers of flax-workers. The arrangements made facilitate production and export sales, and assist in the maintenance of swamps. At the same time research is being carried on in relation to milling machinery with the object of increasing the proportion of fibre won from the leaf.

During the financial year 1931-32, the sum of £1,998 was expended in direct assistance to the flax industry.

## ASSISTANCE TO SECONDARY INDUSTRIES.

The extent to which the Dominion can usefully employ the surplus population, over and above the numbers engaged in producing exports, is a factor the importance of which should not be overlooked or underestimated. It is essential for economic stability that to the greatest possible extent the employment involved in producing the goods and services required for domestic consumption must be given to the Dominion's workers not required in the production of exports, rather than to the people of other countries.

Simultaneously, therefore, with strong efforts to direct relief labour into other reproductive channels, the Unemployment Board has, in many ways, encouraged and assisted secondary industries with a view to providing more employment in those industries. This side of the Board's activity has been developed in a number of ways, and further experiments are to be tried shortly. The first step initiated by the former Board, but given effect to during the period under review, was to carry out an intensive press campaign, in co-operation with the Manufacturers' Association, in favour of preference being given to the purchase of New-Zealand-made goods. With the continued deepening of the depression it is very difficult to assess the value gained as a result of that effort; but it is certain that the Dominion's position economically would be strengthened, and the unemployment problem eased, by a much closer attention to this principle on the part of the people.

The Board's No. 10 Scheme, offering assistance to building, was an experiment in the direction of subsidizing with a view to keeping men in industry, as an alternative to the industry ceasing and the

workers becoming wholly dependent on relief. The scheme is explained hereinafter.

Notwithstanding the efforts already made, both in the direction of increasing productive capacity in primary industries, and the assistance already given to secondary industries, it is abundantly clear that fuller development of existing secondary industries and the building-up of new industries must be effected if the unemployment figures are to become normal, even after an improvement in export trade has occurred.

The Board is at present, therefore, considering how far, and to what advantage, the funds collected for the relief of unemployment—and at the present time being almost wholly absorbed in the provision of relief works—can be used in keeping workers in industry and in the creation of new avenues of employment, as an alternative to providing relief work. In many instances it is certain, and in others a possibility, that the difference between the cost of a locally manufactured article and that of the competing imported article is less than the national loss through unemployment when the imported manufacture is taken in preference to the article manufactured in New Zealand. existing conditions important orders have been lost to New Zealand industries for manufactured or partly manufactured articles, where the labour-cost is a substantial factor in the price, and in spite of the fact that the cost of maintaining the workers on relief has been far greater than would have been required to bridge the gap between the prices quoted for the New Zealand article and the successful overseas tender. The Board is hopeful of providing an arrangement to overcome this in the near future, at least as far as orders for goods for use by the Government and local bodies are concerned.

With a view to encouraging the development of new industries for New Zealand, the Board is therefore considering ways and means of encouraging the manufacture of articles which, although economically capable of production in New Zealand, have not previously been produced here, but regularly imported. Such a procedure, though offering great advantages, is fraught with many difficulties, and the position is being closely examined by the Board before taking action.

## Scheme No. 10.

Apart from primary industries, the building industry with its allied trades is in normal times the largest employer of labour. The Board, in reviewing the position of unemployment at the early part of 1932, found that no single factor contributing to the cause of unemployment was more arresting than the almost complete collapse of the building industry. The extent of the falling-off in this industry is well exemplified by taking an index number of 100, to represent the value of building permits granted in 1922, the first year when statistics showing the movement in building construction in New Zealand were collected. The number rose in 1927 to 209, and fell away to 52 for the year ended 31st March, 1932. Building activity in New Zealand reached its maximum, both in value and in volume, in the year ended 31st March, 1927, when an increase of 109 per cent. in value and 149 per cent. in volume, was recorded as compared with the corresponding figures for 1921-22.

For the past year building permits fell to the unprecedented total value of £2,728,000, or 52 per cent. in value and 68 per cent. in volume of the 1921-22 total. Compared with 1927, when the maximum was reached, the decrease last year was 75 per cent. in value and 73 per cent. in volume.

H.-35.21

These figures do not wholly reveal the position that had been reached by May, 1932, when the figures for the month were the lowest recorded for any month since the collection of building statistics began.

To better illustrate the effect which the collapse in the building industry had on the unemployment problem, statistics are quoted to show the number of wage-earners engaged in the building and allied trades at the date of the last census return in 1926, and from the fall in value of buildings the probable number engaged in May of last year can be assessed :-

Industry.				Wage-earners mployed.
Construction and repair of buildings			2	22,815
Bush sawmilling		• •		8,057
Joinery and sash and door factories	• •	• •	• •	1,482
Manufacture of furniture, fittings, &c.	• •	• •	• •	4,894
			-	
				37.248

It will be observed that no fewer than 22,815 male wage-earners were actively engaged in the actual building operations at the census date, while 14,433 more were engaged in industries largely dependent on building activity for their support. In addition, other industries—e.g., transport—are considerably affected by the volume of building activity. When it is realized that the value of building activity represented by permits issued in the larger towns during the five months ended May, 1932, averaged only 17 per cent. of the corresponding month's value during 1926, the effect of this decline on employment in the building and allied trades is only too evident.

If the decline in the number of wage-earners employed in construction and repair of buildings were proportional to the decline in the value of permits issued, it means that less than four thousand male wage-earners were employed in actual construction and repair work during last May as compared with 22,815 at the census date.

With a view to stimulating activity in building, and reabsorbing a number of these workers in industry, the No. 10 Scheme was launched early in July, 1932. The principle of the scheme was to restore confidence in those persons and companies who were withholding capital expenditure on new buildings and repairs to existing buildings. The method, broadly, was to subsidize labour costs in respect of approved works.

The eligible works under the scheme were divided generally into two classes, as follows:-

(a) The erection of dwellings for bona fide owner-occupiers, and repairs, alterations, &c., to existing private dwellings.

(b) The crection of, or repairs, alterations, &c., to, business premises, commercial buildings, public or semi-public buildings, factories, storehouses, &c.

On all works coming under the first heading, and on works under the second heading when the total estimated labour cost did not exceed £50, a subsidy was payable at the rate of 331 per cent. of the wages paid for all labour engaged at a Government employment bureau, with a maximum subsidy in respect of any one man of £1 2s. 6d. per week.

For work approved under the second heading when the total estimated cost exceeded £50, a subsidy on wages of men engaged from the bureau was payable at the rate of 8s. 4d. in the pound, with a maximum subsidy of £1 5s. per man per week; with the proviso that subsidy would not be paid on more than 80 per cent. of the total labour employed whether engaged from the unemployment register or not.

It was stipulated that the scheme should not interfere in any way with the wages or conditions of employment provided under industrial awards for the classes of workers concerned, and also that New Zealand materials and products must be used on the subsidized work wherever possible.

Applications for subsidy under this scheme were to be approved by 31st December, 1932, and for the six months in which the scheme operated, approval to subsidies was given in respect of some 5,640 building, renovating, or repair jobs of an estimated total value of £1,450,000. Of this amount, over £420,000 represents the cost of labour actually employed on these jobs, the subsidy cost to the Unemployment Board being approximately £131,000. At the peak of activities under this scheme some 3,250 men were being employed on a subsidized basis. The full value of this increased activity in building is better stated by drawing attention to the fact that 78 per cent. of the value of a building represents labour costs in New Zealand, and if a large amount of indirect labour has not yet been engaged as a result of this building activity it is because stocks which had accumulated are being depleted. This will leave the position ready to adjust itself as times become more normal. It will be seen that it is very difficult to assess the full value to be obtained from the building-subsidy scheme, or even whether the Board would not have been justified in continuing the experiment for some time longer. The Board is, however, carefully watching the position at the present time, and can be relied upon to act promptly in reviving the scheme for a short time further if indications are that such a course is warranted.

## GRANTS AND LOANS.

In a few instances the Board has been able to stimulate employment by means of straight-out grants, and in other instances by way of loans. Frequently it is the position that a small amount of financial assistance to a languishing industry proves to be economically sound—that is, when it results in the reabsorption of a number of the unemployed into industry, or the prevention of a number of industrial workers becoming a charge on the Unemployment Fund.

A good example of this principle in practice was the loan granted by the Unemployment Board towards the rebuilding of the Masonic Hotel block in Napier. This loan received considerable public

attention, and it may therefore be well to record the facts in this report.

Following the destruction of Napier by earthquake in February, 1931, unemployed labour was diverted almost wholly to the restoration of public services. The Board was struck by the fact that, nine months after the earthquake had occurred, there was very little rebuilding activity in the business area. It was represented to the Board members by the Commissioner of Napier (Mr. J. S. Barton) and by representatives of the Chamber of Commerce and other interests, that although a number of advances for rebuilding purposes had been arranged by the Rehabilitation Committee there was a very strong reluctance to rebuild, due to a doubt as to whether the business centre would actually ever arise on the same area. The key of the situation was agreed by all to be the large Masonic Hotel block, which previously had included a number of shops and had been in the centre of business activity. Representations, substantiated by figures, were made to the Board, that if some assistance could be given that would induce the rebuilding of the Masonic block, it would almost immediately be followed by great general activity in rebuilding operations. The amount of money standing between the principals of the Masonic block and rebuilding was £8,000.

From the Board's point of view it appeared that if the rebuilding of the Masonic block were really followed by the rebuilding of the Hastings Street properties that were said to be held in abeyance until commencement of operations on the Masonic block, the saving to the Unemployment Fund as a result of men being taken from relief into private employment on building-construction work would

be far greater than the £8,000 which it was proposed should be lent.

The Unemployment Board determined to make the loan. That the move was more than justified has been proved beyond all question. Following the granting of this advance, and the commencement of operations on the Masonic block—no doubt assisted by the almost simultaneous introduction of the Board's No. 10 Scheme—something in the vicinity of £300,000 worth of building was commenced in Napier. Regarding the Masonic block separately from the other works which were more or less consequent upon it, the wages paid to registered married unemployed men engaged on that building total in the vicinity of £18,000; and ignoring the direct bearing on the reconstruction of Napier Borough and indirect benefits from renewed activity in the building industry, the saving of the Board's funds consequent upon this loan has far exceeded the value of the loan itself.

There are other examples of where a loan has been considered the most economical way of encouraging employment under normal conditions, but it is not necessary to outline the details of each one here, other than to say that the value of a loan has always been related to the saving of the Board's

funds consequent on the employment of men taken from the unemployment register.

#### VOLUNTARY RELIEF ACTIVITIES.

#### Co-ordination of Relief.

Side by side with the relief activities of the Unemployment Board there exist in many centres voluntary relief organizations conducted by various other bodies and by committees of private citizens. Much good work is performed by these organizations in the alleviation of distress.

It is an anomaly in the operation of any organized system of relief that the more clamant type of petitioner for benefits frequently secures undeserved advantages over others equally eligible for assistance. The tendency is for this to become more pronounced during a period like the present when those eligible for relief include thousands to whom the state of actual indigence is novel, and the necessity of seeking relief repugnant. The Board takes the view that funds provided for the relief of distress due to unemployment should be directed to where such distress is discovered to exist. Private relief organizations are helpful in bringing under notice, from their more personal contacts, cases of deserving people whose rightful measure of relief is otherwise allotted elsewhere. Co-ordination of relief activities, by whoever carried on, has proved the most effective method of preventing exploitation, and in ensuring that people most needful in fact receive a proportionate measure of relief. In some centres this co-ordination has been effected to a high degree, and the Board urges its extension.

### GRANTS FOR RELIEF OF UNEMPLOYED NATIVES.

Apart from the participation of Natives in the benefits of Scheme 5, grants totalling £18,000 were made during the financial year 1931–32 to the Native Department for the administration of relief in districts where there are considerable numbers of unemployed Natives. Such financial assistance is expended mainly on special development schemes organized by the Native Department, and in general the individual Maori is placed on contract work on farms much on the same lines as the Board's Scheme 4B.

Up to 31st March, 1932, a sum of £10,635 had been brought to charge from the total amount granted by the Board. At this date, according to figures supplied by the Native Department, the estimated labour cost of contracts arranged through these grants was just over £42,000, of which £12,500 represented the cost in subsidies for the employment of nearly two thousand Maoris.

The nature and extent of work done or to be carried out as a result of such contracts are as follow:—

								Acres.
Scrub-cutting								22,000
$\operatorname{Bushfelling}$								10,500
Stumping, grub								6,000
Ploughing and	harrowing	g	• •	• •	• •	• •	• •	2,500
								Chains.
777 •								
Fencing	• •							12,000
Draining								2,000

The general situation in regard to Natives is discussed at page 8.

#### UNEMPLOYED WOMEN AND GIRLS.

Although the unemployment funds were directed in the first place towards the relief of unemployed male wage-earners, it soon became apparent that distress due to unemployment was being experienced, mainly in the four chief cities, among women and girls. Determination of methods to assist in the case of female unemployed was hampered by the restricted avenues of suitable employment into which they might be absorbed with assistance from the Unemployment Fund. Outside of private domestic service, it is found practically impossible to subsidize female employment without in some way prejudicing normal employment. As the position called for immediate action, however, the Board appointed an Advisory Committee to consider and report on female unemployment in the Dominion.

Acting on the recommendations of this committee, the Board set up Women's Unemployment Committees in the four chief centres, and later in some of the smaller centres, to act, with financial assistance from the Unemployment Fund, in relieving distress among the female unemployed. Financial aid has been provided by way of grants from time to time to these responsible Women's Committees for the provision of suitable registration facilities, and for assistance in affording relief and fostering employment.

There have been established in the four centres by the Women's Committees training centres for instruction, under competent supervision, in cooking, sewing, and other domestic subjects. Some free meals and clothing are provided, and a small weekly sum paid for work performed in making up clothes, cooking meals, and for general domestic work. In addition, women and girls who have no homes and are without means to provide themselves with accommodation are granted quarters in various unofficial female-welfare institutions at the expense of the Unemployment Fund.

As the women and girls for whom other work cannot be found become proficient in domestic work, an endeavour is made to place them in private domestic service. If necessary, the wages offered by the prospective employer are subsidized from the funds provided by the Board.

#### CONCLUSION.

#### Administration.

Despite the magnitude of the Board's operations the administration expenses in this connection have been kept at a very low figure. Fears have been expressed from time to time in certain quarters that the amount expended from the Unemployment Fund on administration is unduly high. Examination of the position shows the contrary to be the case.

In the financial year 1931–32, of payments from the Unemployment Fund totalling £2,254,257 a sum of £37,347, or only 1.66 per cent. of the total, was paid in respect to administration expenses.

This percentage is based on cash payments. If it is desired to view the most conservative picture, the costs can be extracted on an expenditure basis. Such a basis would include cash payments for the year, together with amounts due and unpaid at the end of the year. Included also would be a sum of £4,000, representing the cost of collection of unemployment levy by the Post and Telegraph Department. In terms of the Unemployment Act, 1930, this sum is deducted by that Department before paying the collected levies into the Unemployment Fund. Taking the figures even on this basis, the percentage of administrative cost to total expenditure remains remarkably low, as the following figures will show:—

(1) Total expenditure, 1931–32 (including amounts due and a of year)	unpaid 		$^{£}_{2,269,476}_{4,000}$
Total cost		• •	£2,273,476
(2) Amount of administration expenses included in total cost	shown	above	£ 55,061
(3) Administration expenses as percentage of total cost			2·42 per cent.

The low figure of the Board's administration costs can be attributed in the main to the fact that, as a matter of policy, the Board's operations have been carried out by means of existing State and local-body machinery and other organizations where these were suitable. Thus the taxation revenue is collected by the Post Office and the Land and Income Tax Department; the main relief works are carried out through local bodies and State Departments; and in each of about 350 centres throughout the country the Board has a representative, known as a Certifying Officer. Except in the seventeen centres where there is a branch of the Labour Department, and in a few other exceptions, the duties of certifying officers are conducted by Postmasters in conjunction with their usual duties. These officers, with the assistance of their staffs, attend to the many details connected with the registration and placement of men, the payment of subsidies to local bodies and individuals, and the control of the allocation of funds made to the centres by the Board. In addition, there are at the majority of centres Local Unemployment Committees, who act in an honorary advisory capacity in association with the certifying officers. The Board thus has contact with the situation throughout the Dominion, without the necessity and expense of building a special organization.

#### Contract System.

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On the psychological and more material public grounds already mentioned, the Board has encouraged the extended application of the contract method of earning relief. Under the usual system an arbitrary period of work is required to be performed in return for a specified measure of relief. contract method is to nominate only the task to be done before payment is made. The worker may accordingly earn the relief in a length of time which is governed by his ability and industry. instance, the maximum measure of relief available under a certain scale to a married man with two children is represented by  $3\frac{1}{2}$  days' work per week, for which he may receive £1 15s. For a four-weekly period this amounts to fourteen days' work for £7. If the work is allotted in the form of a fair contract which would permit an average worker to perform it in that period, it is yet capable of being completed by an industrious worker in, say, ten days; or, on the other hand, an indifferent worker may take sixteen In any case, the relief for the period is earned on the completion of the allotted task, but only Its payment is still spread over the whole month.

Excellent results have attended the introduction of this contract principle in places where it has been tried. Its desirable feature is that it places a premium on industry, and, to the conscientious worker, permits some degree of personal incentive. It has less appeal to other types of worker. The method is more easily applied to relief works under County Councils in rural areas. Although at first sight it would appear to increase supervision costs, the reverse is actually the case. Some extra attention is involved by the controlling authority in measuring up the work into contract units; but as the worker is paid by results alone supervision may be relaxed practically until the final inspection of the completed task. The Board urges earnest consideration of the method upon employing authorities.

#### Valuation of Relief Work.

With the performance of relief work of definite economic value as a basic desideratum it is a corollary that, if such work does not in fact exist in sufficient extent where recipients of relief are normally domiciled, relief labour must be transferred to the localities where the work does lie. It follows, also, that applicants for relief benefits who decline to go to such work, wherever it may be found for them, automatically prejudice their claim on the funds subscribed by their fellow-citizens. Such funds are designed to relieve involuntary dependence on relief. When the offered benefits of the Fund are without reasonable excuse declined by applicants their condition of dependence becomes voluntary. If, notwithstanding this, relief is again proffered to applicants wherever they choose to remain domiciled it cannot reasonably be expected to be in the same measure as that granted to those performing useful work in return for relief. This differentiation is immutably imposed by natural economic law. Useful service augments national earning-power, and work which fails the test of usefulness lacks the claim of comparative merit. It must be paid for either as a luxury at the rate justly applying to useful works or at the lower price appropriate to its lesser national value. It can be accepted that the country cannot afford luxuries at this stage. This assessment of values places a premium on valuable and justifiable work, which, in turn, creates new assets to replenish the resources that are being drawn upon for the maintenance of unemployed.

Proceeding from the broad basis of the foregoing, consideration is called to the question of increasing divergence from Scheme 5, with the view of its ultimate abandonment. The stage is now reached at which much of the work performed under that scheme in cities and towns does not stand the test of usefulness; and there are plain signs of growing reliance on the scheme as a permanent source of regular quotas of work, a condition tending to produce psychological and moral effects

inimical to good citizenship.

From a purely financial point of view, also, the situation in respect of urban centres invites close The largest aggregations of unemployed are at these points. Living-costs are higher there, even if all but absolute necessities of life are disregarded. Fuel, shelter, meat and other foodstuffs cannot be obtained by urban dwellers without money. In rural areas they are available frequently cannot be obtained by urban dwellers without money. This consideration impelled the introduction without cost, but in any case at very much less cost. of what is generally referred to as the "city scale" of relief, mentioned in the section dealing with Scheme 5. The position now existing in urban areas, in comparison with rural districts, is that the Unemployment Fund is providing a higher scale of relief for less useful work.

This inherently undesirable state of affairs is aggravated by apprehensions expressed by principal urban civic authorities of their approaching inability to continue providing any relief works for the

absorption of their unemployed citizens.

Consideration of the future, therefore, leaves no room for doubt that if the support of these large numbers of unemployed urban dwellers is to become the concern of the Unemployment Board alone, it can discharge the responsibility only by the full application of its policy of diverting surplus labour to reproductive work. Circumstances governing the whole situation would render a trend towards depopulation of urban centres, to the extent of the surplus population denoted in unemployment registers, a natural consequence. On the other hand, such a movement, which would incidentally tend to correct the "drift to the towns," must immediately benefit the country generally and give large numbers of wage-earners whose accustomed employment has ceased, an opportunity of establishing themselves and their families in rural occupations with greater prospect of independence.

> ADAM HAMILTON, Chairman. Jas. S. Jessep, Deputy-Chairman. Walter Bromley, Members.

G. C. Godfrey, Member, and

Commissioner of Unemployment.

## APPENDIX.

Table showing Numbers remaining on Unemployment Register of Labour Department at end of each Week, April, 1931, to September, 1932.

Week ended	Auckland,	Wellington.	Christ- church.	Dunedin.	Hamilton.	Napier.	Wanganui.	New Plymouth.	Palmerston North.	Timaru.	Invercargill,	Other Districts and Post-offices.	Total.
1931. April 4 ., 11 ., 18 ., 25 May 2 ., 9 ., 16 ., 23 ., 30 June 6 ., 13 ., 20 ., 27 July 4 ., 11 ., 18 ., 25 Aug. 1 ., 15 ., 29 Sept. 5 ., 12 ., 19 ., 26 Oct. 3 ., 10 ., 17 ., 24 ., 31 Nov. 7 ., 14 ., 28 Dec. 5 ., 12 ., 19 ., 28	6,403 6,428 6,256 4,621 4,572 4,815 5,086 5,546 6,192 6,198 6,204 6,382 6,589 6,789 6,861 6,729 6,861 6,739 7,030 7,335 7,350 7,350 7,350 7,040 7,030 7,030 7,036 6,992 7,057 6,921 6,861 6,992 6,586 6,992 7,057 6,921 6,592	4,613 3,429 3,605 2,968 3,425 3,754 3,814 3,622 3,944 4,180 4,488 4,263 4,413 4,523 4,638 4,865 4,902 4,864 5,023 5,017 5,216 5,230 5,415 5,374 5,416 5,475 5,396 5,467 5,475 5,580	4,634 4,753 4,446 4,395 4,026 4,264 4,419 4,676 4,903 4,738 4,903 4,738 4,953 5,011 5,096 5,241 5,250 5,245 5,250 5,245 5,250 5,245 5,250	2,389 2,273 1,909 2,482 2,235 2,212 2,314 2,343 2,545 2,574 2,681 2,643 2,751 2,981 2,922 2,845 2,874 2,775 2,881 3,062 2,9789 3,013 3,092 3,082 3,082 2,964 3,027 3,018 2,942 2,875 2,814 2,932 2,875 2,814 2,735 2,921 2,912	703 422 548 541 481 505 517 490 489 499 485 480 510 497 509 478 481 450 486 493 429 419 423 421 405 441 432 427 407 409 395 370 391 385	503 563 587 624 568 494 512 505 514 553 575 567 579 664 637 611 631 631 777 801 809 831 782 809 815 823 816 773 719 712 707 690 719 657	933 899 762 1,042 807 856 882 904 915 947 981 1,013 1,028 1,051 1,102 1,105 1,051 1,090 1,085 992 1,092 1,098 1,099 919 919 910 895 885 918 905 885 918 905 885 918 905 827 97 758 743 747 641 628	644 633 737 373 436 428 445 444 450 462 470 447 456 443 408 50 528 520 535 535 555 555 550 521 442 460 459 471 478 498 449	846 875 929 977 987 1,074 1,073 1,120 1,132 1,201 1,218 1,229 1,272 1,329 1,229 1,229 1,229 1,245 1,256 1,282 1,245 1,256 1,282 1,245 1,445 1,445 1,445 1,445 1,446 1,452 1,452 1,452 1,450 1,393 1,290 1,146 1,417	502 518 475 447 402 409 449 528 568 580 604 631 656 691 719 744 785 794 792 807 831 851 876 858 837 822 808 788 788 788 788 788 788 788	1,091 1,117 1,142 1,096 1,031 957 904 950 1,044 1,030 1,082 1,115 1,176 1,158 1,199 1,242 1,245	14,337 15,648 16,940 17,415 17,923 18,285 19,110 19,372 20,530 21,067 21,100 21,497 22,094 22,583 22,518 22,645 22,404 22,583 22,518 22,645 22,442,280 23,424 23,952 24,287 26,287 26,287 27,287 28,28	37,598 37,558 38,336 36,921 38,053 39,553 40,507 42,523 43,453 44,482 44,521 45,264 46,359 47,203 47,538 47,772 48,670 49,132 49,258 50,033 51,018 50,930 50,737 50,266 50,284 49,935 48,795 48,462 47,535 47,096 46,191 45,524 45,140
1932. Jan. 2 " 9 " 16 " 23 " 30 Feb. 6 " 13 " 27 Mar. 5 " 12 " 26 April 2 " 9 " 16 " 23 " 30 May 7 " 14 " 21 " 28 June 4 " 11 " 18 " 25 July 2 " 9 " 16 " 23 " 30 Aug. 6 " 23 " 30 Aug. 6 " 27 Sept. 3 " 17 " 24 Oct. 1	5,602 5,915 6,062 5,817 5,813 5,813 5,736 5,736 5,736 5,736 5,776 6,235 6,484 6,527 6,527 6,528 6,527 6,528 6,527 6,528 6,527 6,526 6,527 6,526 6,527 6,526 6,527 6,526 6,527 6,526 6,527 6,527 6,526 6,527 6,527 6,526 6,527 6,527 6,526 6,527 6,527 6,527 6,528 6,527 7,021 6,527 6,527 6,527 6,527 6,527 6,527 6,527 6,527 6,527 6,527 6,527 7,021 7,021 7,021 7,021 7,021 7,022	5,468 5,911 5,839 5,749 5,862 5,864 5,634 5,634 5,037 4,766 4,828 4,923 5,013 5,056 5,081 4,995 5,128 5,153 5,274 5,274 5,274 5,284 4,845 4,845 4,845 4,665 4,697 4,697 4,892 4,697 4,892 4,993 4,813 4,903 4,813 4,653	5,067 5,161 5,065 5,104 5,036 4,683 4,148 4,134 4,237 4,299 4,242 4,010 3,999 4,242 4,010 3,999 4,245 4,666 4,538 4,625 4,666 4,605 4,588 4,625 4,664 4,605 4,588 4,729 4,729 4,729 4,729 4,746 4,927 4,927 4,941 4,927 4,941 4,941 4,743 4,743 4,743 4,709 4,728	2,738 2,625 2,732 2,712 2,770 2,770 2,770 2,770 2,809 2,852 2,852 2,852 2,852 2,852 3,051 3,214 3,214 3,153 2,947 2,947 2,947 2,943 3,033 3,031 3,040 3,052 3,065 3,085	398 419 444 433 453 430 460 467 507 516 502 530 550 568 588 597 648 639 646 639 649 644 641 651 626 618 608 604 604 604 604 604 604 604 604 604 604	662 686 689 694 700 708 739 751 762 778 800 828 865 905 936 1,002 989 983 1,004 1,011 941 949 945 1,011 1,011 1,011 1,231 1,162 1,117 1,190 1,231 1,247 1,162 1,097 1,119 986 911 891 895	641 636 666 675 671 663 658 651 691 751 775 761 817 7855 880 901 905 1,045 1,092 1,135 1,202 1,176 1,170 1,186 1,222 1,122 1,1262 1,131 1,317 1,317 1,317 1,340 1,352 1,341 1,315 1,335	491 494 492 509 465 467 474 471 470 461 484 493 492 505 507 504 535 569 608 602 585 618 602 585 618 626 630 647 626 630 647 628 612 637 612 607	1,139 1,086 1,090 1,154 1,164 1,184 1,192 1,164 1,195 1,212 1,242 1,241 1,281 1,302 1,340 1,351 1,384 1,416 1,456 1,458 1,477 1,534 1,552 1,592 1,592 1,597 1,562 1,601 1,581 1,527 1,499 1,515 1,515 1,179 1,469 1,267	677 657 632 634 620 596 576 585 598 613 636 668 699 739 729 755 786 786 754 742 750 735 752 845 870 891 1915 914 917 855 860 886	939 982 935 965 960 971 957	20,739 20,967 21,187 21,241 21,002 20,928 20,850 21,091 21,409 22,599 23,647 24,212 24,827 26,6318 25,720 27,382 27,857 26,318 28,501 28,501 28,501 28,504 29,125 29,324 29,445 29,445 29,445 29,445 29,445 29,445 29,445 29,445 29,276 29,276 29,141 29,317	44,561 45,539 45,833 45,677 45,654 45,478 45,478 45,799 46,669 47,530 48,601 50,093 51,517 52,451 52,771 53,543 54,027 54,122 54,342 55,203 55,203 55,837 56,351 56,402 56,361 56,361 56,498 55,963 55,963 55,855 55,728

Note.—The above figures include all men receiving relief under Scheme No. 5, but do not include unemployed men who have been transferred from the Register to farm subsidy and other relief schemes of the Unemployment Board. See letterpress under heading "Numbers of Unemployed" at page 9.

Approximate Cost of Paper.—Preparation, not given; printing (1,100 copies), £34.

