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# UNEMPLOYMENT.

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

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*Laid on the Table of the House of Representatives, 23rd March, 1932, by Leave.*

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## STATEMENT.

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FOR the information of honourable members and the country, I desire to review the position in respect to unemployment and to outline some further courses of action calculated to provide an opportunity for those out of employment. In so doing I recognize two basic considerations. It is necessary to keep in mind the effect of burdens of taxation, for it is obvious that the more the public is taxed the greater will be the decrease in spending ability, which brings its own reactions in industry. My endeavour, therefore, is to keep a reasonable and equitable balance, and thereby avoid adding to the troubles with which we are dealing. On the other hand, it is my opinion that we must not merely say reasonable relief should be granted to those in distress, but must take every step within our power to ensure that no citizen who is prepared to work shall go short of the minimum necessities to keep together body and soul of himself and his dependants.

In reviewing the past few months we are able to see some cause for satisfaction. The rate of increase in the number of registered unemployed has at least been arrested in the meantime. The total stood at 51,408 on the 5th October; it has been reduced by seven thousand, and has now been fairly constant at about forty-five thousand for several weeks. The figure on the 14th March was 44,399. At this period a year ago the steeply rising figures of unemployment showed no slackening whatever; the registrations, in fact, increased from six thousand in October to thirty-one thousand in March last year.

The total placements of men in subsidized employment on farms is seventeen thousand. This represents some real progress in moving men "over the fence." Every care has been taken to see that these men have not displaced regular employees. The number actually on farms as additional labour to-day is seven thousand; in October last the figure was two thousand. This effort to assist at once the unemployed and the man on the land appeals to me as thoroughly sound, for it is upon the farmer and the unemployed that the burden of this depression has fallen most heavily. Our intention, therefore, is to extend to the utmost the means of placing men on existing farms; to some further steps proposed in this direction I shall presently refer.

About one thousand single men have been moved from congested city areas into camps for highway construction. These camps were in the nature of an experiment on the part of the Main Highways Board and the Unemployment Board; and they are now to be judged satisfactory. The principle will be further extended, but with the difference that the purpose will not be confined to roadwork. A start has already been made in establishing camps for married men to enable them to engage in more useful work than they could be offered in the cities.

The marked revival in gold-prospecting is due in part to the assistance given by the Unemployment Board, co-operating with the Mines Department. With gold over £6 per ounce as compared with £3 17s. 10d. a year ago, many workings which were not worth while have now become so. Most of the men out prospecting and fossicking are now able to earn a living without assistance, and some have done quite well. Some hundreds of these men in necessitous circumstances have been given a start from unemployment funds. The Unemployment Fund will be recouped to the extent of 10 per cent. of all gold won.

Much of Scheme 5 work has been of limited value ; but special investigation has shown that under Scheme 5 some ten thousand men are now engaged in work of a definitely productive nature, such as land drainage and improvement.

The Unemployment Board has managed to live within its income. This has been achieved only by rigid economy, necessary owing to the limited funds at its disposal ; but there are many deserving citizens whom the Board has been unable to assist at all. On the whole, and in the face of real difficulties, the Unemployment Board has to its credit a fine record of achievement.

Scheme 4A will continue, and as many men as farmers are prepared to take will be made available under this scheme if satisfactory arrangements can be entered into with the farmers. When a farmer has no accommodation available for a man, and cannot provide it, arrangements will be made to provide a hut, or materials to erect one.

Although the total of registered unemployed has fallen in the past five months, there is one group in which the numbers have not fallen, and that is the married men in cities. While the total of single men registered as unemployed in the four main cities has fallen from nine thousand to seven thousand—a drop of 23 per cent.—the number of unemployed married men in the cities was eleven thousand five hundred in October, and is still eleven thousand two hundred in March—a negligible drop of 2 per cent. This brings me to refer to the *first* measure which we propose for the further relief of married men.

We turn our attention to the land, and propose a scheme of rural allotments. Under this new plan, sections of from 5 to 10 acres will be acquired by any form of tenure which is most suitable to the case, and a cottage of the public-works type will be erected thereon. The allotments will be distributed throughout rural districts. The occupant of the section will work some of the time for himself on his place in providing his own sustenance, and part of the time for a nearby farmer or any one in the locality who can employ him. It is recognized that relief workers who are thus moved out will not immediately be able to earn an independent livelihood. Some part of the present relief allowance must therefore be continued. Again, there are many cases where a landowner could make available to a worker a portion of his land, and the occupant could work in the same way—that is to say, part of the time on his allotment, and part for farmers in the district.

The Government appeals to all landowners and farmers to help in this time of stress. If they will respond—and I am sure they will—an impetus will be given to production ; men will be found employment ; farmers will have labour ; and at least some of the men, we hope, will later become permanent settlers.

As typical of what can be done, and something that has been done, we can picture a farmer agreeing to take a relief worker and his family on to his place, with a cottage provided ; the farmer setting aside a few acres and providing a cow or two, pigs, and such farm-products as he can, while the relief worker agrees to work on stated terms on the farm.

This matter of placing unemployed on rural allotments has been carefully considered. We are well aware of its difficulties and of its limitations ; it is not wholly a land-settlement scheme, but rather an emergency measure to move some thousands of persons into an environment with opportunities for the individual. At the very least it will provide a shelter until the storm has passed over, and is certainly preferable to keeping families in congested areas with little hope or opportunity.

Transport is amongst the incidental problems raised by a scheme of this character. The Railways Board have been consulted, and I am pleased to say that they have agreed to cut charges and to co-operate in a helpful way.

The Government have agreed to recommend Parliament to provide a fund in the nature of capital expenditure to help to finance this scheme.

With this plan—to which, I may say, I attach the greatest importance—I shall deal more fully when I speak on the Bill. Meanwhile, I refer to some other work that is in hand.

*Land-drainage* offers a very valuable addition to the works to be undertaken. There are many thousands of acres of good land which only require drainage, its carrying-capacity being restricted owing to its waterlogged condition. Drainage will enable this land to be made completely productive, and provide for greatly increased production and ultimately for closer settlement.

*Tidal-flat Reclamation* also offers scope for considerable development. There may be legal difficulties in this matter, but these will be overcome by legislation. Some works are in hand, and when completed will be immediately made available to those requiring small farms.

*Reclamation of Virgin Land.*—Proposals are being finalized embracing development of Crown lands by suitable men.

*Proposals for Land-settlement*, not directly undertaken by the Government, will be sympathetically considered and encouraged.

*Roadwork*, particularly metalling of backblock roads, will enable us to give employment to a considerable number of men in providing all-weather access, which settlers so badly need.

*Gold-prospecting.*—The considerable increase in the value of gold will enable many areas of gold-bearing country, which could not be worked at a profit at the old price of gold, to be now worked and give a reasonable return. After consultation with the Minister of Mines, I am pleased to say provision is being made for the services of supervisors additional to those already available. I look forward to a great expansion in this connection.

Apart from these ventures along remedial lines, some further changes are being made in connection with relief administration.

Scheme 5 has in the past been used almost exclusively for the employment of men in the towns and cities. A commencement has already been made to apply this scheme to country work, with the difference that the work is continuous and there are no stand-down periods. It is essential that work in the country should be carried on continuously. The policy is to direct labour into rural districts.

*Hospital Boards.*—It has been the practice for Hospital Boards to provide sustenance for registered unemployed, particularly in the stand-down periods. Waste is caused by duplication and overlapping when the same able-bodied unemployed are assisted from public funds by the Unemployment Board and Hospital Boards and possibly by other social organizations. It is therefore proposed to remove from Hospital Boards the necessity for assisting. This means that any relief it may be possible to give to registered unemployed, apart from wages, will be given from the Unemployment Fund, while Hospital Boards will be responsible for relief to those whose distress is due to causes other than unemployment. Until such time as payment for relief is brought under one control it is impossible to say how much unemployment is costing the country.

It will be seen from what I have said that Hospital Boards will be relieved of a considerable drain on their resources, and as a result of the proposed change in method and organization, Hospital and Charitable-aid Boards should be able to reduce their demands for levies on local bodies.

#### TAXATION.

An increase in the income of the Unemployment Fund is imperative. The present income is £2,500,000 a year. Outgoings at the rate of about £50,000 weekly, amount also to £2,500,000 a year. The cost cannot be much reduced as long as the unemployed number some fifty thousand (as they do when men in subsidized employment on farms and gold-prospectors are included). Then we are faced with the need of taking over from the Hospital Boards the responsibility of providing for able-bodied unemployed. We must move men from cities, where little work is offering, to country districts; they will be more usefully employed; they will be giving some definite return; but the initial cost will be higher than it is now. Apart from any other increase, a considerable proportion of men who have been employed on public works and paid out of capital funds must come on to the Unemployment Fund.

It is clear that the Consolidated Fund will not be able to contribute anything in the ensuing year by way of subsidy to the Unemployment Fund. Nor is it anticipated that the amount payable this year by way of levy and special tax on wages and income will equal what was received during the present financial year from the same income avenues.

The special tax for unemployment stands outside of ordinary taxation and outside of State revenue. It is in the nature of insurance or a pool as amongst those who are in employment and those who are unemployed. From this viewpoint, and so long as the available funds are economically administered, I am sure that those who are in employment and in receipt of income—even a falling one—will not grudge the increase shown to be necessary.

The tax will now be extended to include women with individual incomes below £250 a year from sources other than salary or wages; at present they are exempt, while women with the same or smaller incomes from wages and salary are subject to the tax. This anomaly will be removed.

It is necessary to ask Parliament to increase the unemployment tax to 1s. in the pound.

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