

373. From 1901 to the outbreak of the first World War expansion of secondary industries proceeded at a modest pace, apart from those industries engaged on processing primary products, which expanded much more rapidly. Though some protection had been granted to local manufacturers, New Zealand remained consistently a low-tariff country, and little deliberate attempt was made to foster local industries. The rapidly expanding dairying and meat industries appeared to absorb most of the available increase in capital and labour, and production in these industries increased steadily with an apparently limitless market in Britain and Europe. In 1901 the total value of New Zealand exports was £12,800,000, and in 1914, £26,200,000, a large part of this increase being due to the growth of the dairying and meat industries. By 1911 the male labour force was 363,000, of which farm workers made up 102,000 with secondary industry and building and construction employing 93,000.

374. From 1896 until 1921 prosperity was fairly general, and employment fluctuations, shown by the Labour Department registrations, were due, in the main, to purely local causes. The decline in the demand for grain after the South African War, the falling off in gold-production in Otago in 1903, the decline in flax-production and the slump in overseas markets in 1908 caused temporary rises in unemployment; but the effects were only of a brief duration.

375. The general trend of unemployment figures over this period was downward. Unemployment was still fairly serious in 1896, the census returns showing the total number as over 17,000, including 2,600 women. At this date recovery from the depression was in its initial stages and the occupational distribution of the unemployed displayed a familiar form—a very high proportion amongst constructional workers and labourers. The number of farm workers returned as unemployed was fairly high also. By 1901 the number unemployed had declined to 9,800, but the passing of the Old Age Pensions Act in 1898 may explain part of the fall. In the next ten years the number fell off slightly, though the reductions were not very great, the numbers being 9,500 in 1906 and 8,300 in 1911, but as the total labour force was growing all the time the proportion of unemployed to employed fell considerably.

376. The War and its Aftermath, 1915–1920.—The outbreak of war in 1914 did not drastically alter the structure of the New Zealand economy, though constructional works of all types were sharply reduced. The 1916 census shows that unemployment was at a level of 7,000, and by 1917 and 1918 serious labour shortages developed. Secondary industries were stimulated in the later stages of the war by the shortages of overseas supplies, the increase being even more rapid in the two post-war years. Farm production did not increase over the same period, there being a decline in 1917 and 1918 as the shortage of labour began to be felt.

377. Increases in the employment of women were not very rapid up to 1929, and at no time in the past was there any reference to a shortage of female labour. Indeed, in 1920, when the post-war boom was at its height, there were not considered to be many opportunities for female immigrants except in domestic service.

(iii) The Inter-war Period – Post-war Consolidation and Decline, 1921–1930

378. The drastic fall in overseas prices in 1921 brought the post-war boom to an end, but the effect on employment does not seem to have been particularly marked; employment in secondary industries fell off in 1921–22, but in the next year a full recovery was made. Farmers who had bought land at inflated prices were seriously embarrassed, but the increase in building and the greater numbers employed on public works appear to have prevented any large-scale unemployment from developing. The number of unplaced applicants in the Labour Department's books rose somewhat in the winter of 1922, but fell rapidly, reaching a very low level in 1924 and 1925. At this time the building boom was at its height, overseas prices had risen, and industrial expansion was being pushed ahead rapidly. With the fall in overseas prices in 1926 unemployment