

This conclusion is also borne out by reference to the figures of the Labour Department. The Government Statistician is of opinion (Year-book, 1927, p. 869) that this may be due to the fact that most overseas steamers call first at North Island ports, so that immigrants naturally apply to the bureaux in that Island, and to the migration from south to North because of more rapid development in the North. Further explanation is probably to be found in the declining of the kauri-gum and sawmilling industries and in the 1926 heavy fall in butter-prices, all of which have affected the North, and especially the Auckland Province, more than the South.

(5) Some industries are affected much more than others. The industries showing the highest rates during 1926 and 1927 are sawmilling, shipping, and building—suggesting special causes affecting these trades. The increase from 1926 and 1927 is especially marked in the building trade.

The occupational distribution of unemployed trade-unionists, given below in percentages, shows the range of unionists covered in greater detail:—

PERCENTAGE OF UNEMPLOYED IN VARIOUS TRADE-UNIONS, ON ACCOUNT OF SCARCITY OF WORK, FOR MORE THAN THREE DAYS DURING THE MID-WEEK OF

Trade.	November, 1925.	February, 1926.	May, 1926.	August, 1926.	November, 1926.	February, 1927.	May, 1927.	August, 1927.
Sawmilling, &c.	4.9	4.9	7.0	11.5	10.5	17.4	25.8	28.1
Shipping	18.0	22.1	18.7	26.0	23.0	15.9	24.9	30.5
Building, &c.	2.9	4.9	6.8	11.7	8.0	11.9	11.1	16.4
Hotel, restaurant, &c. ..	4.6	4.0	5.8	4.9	4.9	8.5	9.4	9.0
Metal workers	6.8	6.9	7.0	7.4	5.6	8.2	9.3	7.7
Clothing and drapery ..	5.8	4.5	4.6	9.4	4.8	5.1	4.2	5.7
Food, drink, &c.	2.5	1.6	3.2	3.1	1.8	2.2	3.2	3.5
Land transport	0.9	1.7	2.0	1.7	2.2	3.0	2.9	4.1
Paper and printing	1.1	1.7	2.3	1.7	1.6	2.5	2.7	2.9
Mining	3.2	1.2	1.5	4.8	3.5	6.6	2.6	5.1
Textiles	2.5	2.9	2.1	6.8	*	7.1	0.9	0.8
Other manufactures	8.0	8.9	14.0	11.7	11.3	9.8	8.4	20.5
General labourers	9.2	6.9	12.7	18.3	11.5	13.9	15.2	20.7
Miscellaneous			9.7	9.1			8.2	13.0

* No data.

VI. CAUSES OF UNEMPLOYMENT IN NEW ZEALAND.

With this analysis before us we may now proceed to consider the principal causes of the present unemployment.

(1) There can be no doubt that the chief cause is the trade cycle transmitted to New Zealand from abroad and acting mainly through lower prices for our staple exports. It is common knowledge that New Zealand is more dependent upon her export trade than almost any other country. It has been estimated that New Zealand exports about 40 per cent. of the total value of production (exclusive of services), which is much higher than for any other part of the Empire, and of her total exports nearly 90 per cent. goes to Great Britain. Almost the whole of the export trade is in primary products. The present depression is therefore mainly due to diminished purchasing-power on the part of the population of Great Britain, which is again largely, but not entirely, due to the reduced purchasing-power of the countries to which Great Britain ordinarily exports her products. The position in New Zealand has been intensified by over-importation; which is the usual phenomenon associated with depression, and depends to an appreciable extent on the time lag between exports and imports. This lag is compounded of at least two causes. First, although some merchants may forecast future requirements on the basis of ruling conditions in the export market, it is more generally true that orders will be placed abroad on the basis of existing demand. Some time is likely to elapse before enhanced purchasing-power amongst agriculturists consequent on better markets abroad is translated into a corresponding change in the demand for goods. Second, some time elapses between when the orders are placed and the goods arrive in New Zealand. In consequence, it frequently happens that goods ordered under boom conditions, in the expectation that such conditions will continue, arrive when the trade cycle is already on the wane, prices are falling, and purchasing-power is restricted.

(2) The declining of certain industries by reason of the diminution or exhaustion of supplies of raw materials has been a contributing factor. This is especially so in the case of the kauri-gum and sawmilling industries. Though there is still a considerable amount of standing timber, it is becoming more inaccessible and therefore more expensive to work. In the case of mining in certain districts—notably gold-mining—the same factors operate.

(3) In reference to the timber industry, it should be further noted that increasing cost through the above cause has been reinforced in its effects on unemployment by the importation of large quantities of foreign timber at lower prices than those at which the New Zealand supply can be sold at a profit; by a falling-off in the amount of building as the post-war shortage has been overtaken; and by changes in the materials used in construction.

(4) The introduction of machinery and improved methods in some industries have appreciably affected the demand for labour. The introduction of electric power, motor traction, and the like, have displaced farm labour, while the falling prices of farm products have encouraged farmers still further to perform work for themselves. In the shipping industry the use of oil instead of coal has displaced labour, while the bulk handling of motor-spirit has reduced the demand for labour both in the trade itself and in various distributive processes. The displacement of manual labour by mechanical excavators is another case in point.