

do not have such a high productive output as men and boys. But the worker in 1923-24 had the assistance of 3.23 horse-power, whereas his confrere in 1927-28 was assisted by 5.10 horse-power, or 57.9 per cent. more in the way of mechanical aid. Inverting the expression of the comparison between value of production and persons engaged, it is seen that each £100,000 produced in 1923-24 required on the average 259 workers, whereas in 1927-28 the same unit of production required only 238 workers.

The building industry has not been covered in the foregoing discussion, because annual statistics were not collected prior to 1925-26. An examination of these statistics shows that since 1925-26 the number of persons engaged has increased by 5.3 per cent., while the horse-power of machinery shows a gain of 26.9 per cent.; the "added value" (difference between cost of materials plus payments to subcontractors and the value of work done) advanced over the same period by 7.9 per cent.

In 1925-26 the average horse-power per person engaged was 0.60 horse-power, while the average added value was £324; in 1927-28 these figures were 0.72 horse-power and £332.

While the foregoing clearly illustrate the increase in output for these industries, with fewer persons directly engaged in them, the Committee were not ignorant of the fact that some of the increased production is due to changing methods involving the employment of labour elsewhere. For instance, the great increase in the use of fertilizers in recent years is reflected in the increased carrying-capacity of the farms. The manufacture of fertilizer in the Dominion has rapidly developed in the same period, and is now firmly established and employing large numbers of men, also involving further employment in the transport of fertilizer to the farm. Then, the great increase in the use of milking-machines, while displacing labour on the dairy-farms, has created employment in the manufacture and servicing of milking-machines. The development of electric-power supply throughout the country has displaced the stationary fuel engine with its attendants, but has provided work for many men in connection with power stations, transmission-lines, and supply services. Other industries are developing in the Dominion and providing employment, as, for instance, the motor industry.

The increasing use of machines either increases the output or decreases the number of employees in the particular industry affected. It often does both.

It is difficult to arrive at the net result between the workers displaced in industry and the workers for whom employment is found in new or expanding industries. In the long-run the general effect is to steadily improve the average standard of living and the conditions of labour, but in the process of evolution, hardships and unemployment result to those displaced by the machine unless and until they can be absorbed elsewhere.

To quote Mr. Davis, "we cannot in any way set limits to or retard progress," but labour displaced as a result of these developments must be guided into other productive employment, and during any temporary period of unemployment in some way must be provided for.

(5) PERIODIC UNEMPLOYMENT ARISING FROM WIDESPREAD TRADE DEPRESSION.

This is a phenomenon which all countries experience, and there is much literature available already on this subject. In New Zealand we suffered severe trade depressions in 1921 and in 1926 because of reduced prices for our exported products. Our imports exceeded our exports and we had to suddenly curtail our national expenditure.

The same thing will undoubtedly happen again, and so long as the general finance of the country is dealt with in accordance with sound policy there is nothing very much to fear. Temporary situations can always be met with comparatively less difficulty than attaches to the solution of problems long continued.

(6) UNEMPLOYMENT ARISING FROM INCAPACITY OR FROM IMPROPER TRAINING.

This matter comes within the scope of our inquiry only in so far as it is necessary to know how the number of unemployables affects the total number of unemployed, and whether anything can be recommended which will lessen the proportion of unemployables in the future. The actual provision of relief for the unfit must be something quite apart from the general question into which we are inquiring.

REMEDIES.

The above classification of unemployment and the brief reference to each of the classes suggest certain lines of investigation as to remedies. For instance, the regular seasonal unemployment of freezing-works hands, shearers, dairy-factory hands, and harvesters would be prevented if there could be established suitable industries which require an equal number of workers during the period from May to October. A search for such industries leads inevitably to forestry as one of them, since the work of planting trees must be done in autumn and winter, and much other work in connection with forestry can be done in winter, and no harm results from suspension of work in summer. Forestry has therefore been selected as one of the first subjects to be fully reported upon.

We are seeking further information concerning public works and the works of local bodies, in the hope of being able to recommend some system by which such works may be made the greatest possible use of as a source of useful employment for seasonal workers. It would appear to be necessary in this connection to establish some central body through which the amount of work to be done in any season shall be arranged to match the available labour-supply and by which the supply of labour likely to be available may be estimated beforehand. At present we have not sufficient knowledge to enable us to deal fully with this matter, but it will be concluded as soon as practicable.

Still considering seasonal unemployment, we have been struck by the fact that at the end of the summer there is a marked tendency for the country workers to drift into the towns to seek work for the winter. This has two effects: first, to increase the difficulties of the town authorities, and, second,