

themselves part-time. Families grouped together around a centre might develop into a prospering, self-reliant community with a social life and amenities of their own. This is but an idea roughly sketched. It is something that may lie ahead, something that could not be tackled in a day, but only with careful forethought and planning.

At the moment we have under consideration a plan to place a definite number of families in cottages in country villages and districts.

Another form of possible assistance, both for farms and for industry, is that of a "labour loan," by which the funds available for relief might be used to tide over the difficulties of people temporarily unable to finance necessary labour. The proposal is being investigated with a view to its adoption, and I am sorry I am not in a position to say more on it just now.

(4) To assist in the work in hand, I now propose to summon the counsel and assistance of Chairmen of County Councils throughout New Zealand, in association with their colleagues and all other persons who can be helpful. It has been my privilege to occupy the position of a County Chairman, and from that experience I am aware of the heavy responsibilities and skilled knowledge that occupants of that office must have of local affairs. My hope is that from their knowledge of local conditions they will be able to throw light upon the best means of attacking the problems in hand. They will indicate blocks of land, public or private, that are worth consideration. Recognizing that existing farms must absorb far more men, they will suggest effective means of attaining this end. Any plans devised here in Wellington must be adapted to varying local needs; County Chairmen and those whom they call together will be able to give advice of unique value in this regard. Our object must be to bring the country into complete organization and to use in this crisis the genius inherent in our people. I am at once sending a letter to every County Chairman to deal more fully with this subject.

LOCAL COMMITTEES.

This brings me to refer to the work of the local Unemployment Committees and other bodies that are helping to-day to meet our difficulties. Almost every city and town has its local committees: in all some 2,000 men and women are giving services voluntarily. Members of local bodies of all kinds, people in every organization and every walk of life are doing their bit. Members of these Committees recognize, I am confident, that they hold a position of serious responsibility. They are not merely advocates of the claims of the unemployed. Theirs is a trusteeship, charged with the duty of guarding the general interest, of conserving our resources, of using to the best advantage every penny of the limited funds available. They must recognize that unemployment relief must not be made so attractive that there is any incentive for workers to remain on it—in fact, every facility and inducement must be given to them to become absorbed as soon as possible in the ordinary life of the country.

In speaking of Committee work, I am not unmindful of the imperative need there is to see that the services of all Government Departments are co-ordinated for the most effective attack on the problems in hand.

SECONDARY INDUSTRIES, ETC.

I have referred at some length to the machinery foreshadowed for attacking our problems and to the vital importance of the work of local Unemployment Committees. I have spoken of farming as our paramount industry. But, as I have said, we cannot hope to divert anything like 50,000 men on to the land. We must look to other avenues as well.

Gold-prospecting and gold-mining are enterprises with special promise to-day. The Unemployment Board and the Mines Department are co-operating to encourage and guide unemployed men in such work. Already a grant of £2,000 has been approved for prospecting; thirty parties with one hundred men have set out, and they have shown fine results. There is a general revival now in Kumara, Hokitika, Thames, Marlborough, and Otago.

In recent years New Zealand has turned to forestry as an enterprise of special promise. There is scarcely a country in the world where the rate of growth of trees is as rapid as in New Zealand. With our heavy rainfall, the annual growth of standing timber is five times as great as in many countries that are afforesting for profit. We have, however, lacked one thing, and that is research and development in the utilization of timber products. Consideration is being given to possible ways of associating the Government and private interests in research, so that the extended use of New Zealand timbers, on a competitive basis, may be encouraged.

Flax-growing, and the general development of the flax industry are enterprises which are engaging the close attention of the Unemployment Board. This is an industry native to the country—an industry which, in comparison to the total value of the finished article, employs more labour than almost any other industry in the country. The competition of other fibres has, for the time being, destroyed overseas markets, but every attention is being given to developing fresh markets and to organizing production on such a basis that our flax industry shall again compete in the markets of the world and can absorb profitably a large number of workers.

Critical examination is being given to the prospects of developing for fruitgrowing the clay lands of the North, a project that would at once yield gum for sale and bring land into cultivation for small fruits. I am informed that the technical problems involved in the storage and export of these small fruits have been solved. The prospects of developing a substantial overseas market are bright.

These are examples of possibly productive works that are being explored.

To the utmost of their power, the Government and the Board will stimulate and encourage manufacturing and other industries. I believe that it is possible and necessary to absorb a great deal more labour through the development of our manufacturing industries in the Dominion. Industrialists