

provide from the Unemployment Fund the difference between the economic value of the job and the total cost. In many instances this will involve providing the full labour cost from the Unemployment Fund. It is being insisted that loan-moneys be used to the full extent that can be covered by additional revenue created by the prosecution of the work.

Simultaneous with this more determined investigation into the question of suitable full-time employment, the Board has been carrying out closer investigation into the question of available men physically fit to undertake the work contemplated. It is these investigations that have provided fairly reliable data enabling the Board to estimate that there are at the present time between 10,000 and 15,000 of the unemployed who are unfitted for employment of any kind under normal industrial conditions. A further estimate of the number of those capable of engaging in ordinary industrial employment, but not considered capable of earning the standard rate of pay on public works carried out on the co-operative contract basis, is approximately 10,000. There are thus between 15,000 and 20,000 of the men now on relief who are assumed to be incapable of making a success of the heavy manual employment involved in the works now being organized through the Public Works Department. A percentage of these are, of course, quite suitable for full-time work in the industries to which they have been formerly accustomed, or even able to carry out successfully such undertakings as the eradication of noxious weeds, tree planting, sand-dune reclamation, and such other forms of land-development work.

Another major difficulty in providing alternative employment through the institution of public works is the reluctance on the part of the unemployed to accept work located in the country and involving their having to leave their homes. Prior to the introduction of the unemployment legislation providing for relief to the unemployed, no difficulty appears to have been experienced in manning public works, even when it involved separation from home during the currency of the work. To some extent the present attitude of the workers in resisting employment in the country is understandable. While on Scheme 5 or sustenance a man receives a fixed sum of money each week. This relief pay is supplemented by relief in kind such as free boots, blankets, food, clothing, and also by what he can earn from casual employment, and a cross-section taken in one of the main Employment Bureaux recently disclosed the fact that approximately 50 per cent. of the registered unemployed supplemented their relief earnings by casual earnings. On the other hand, the acceptance of employment in the country, until recently on the co-operative contract basis of 10s. 6d. per day for married men, incurs all the financial responsibility of a worker in ordinary industry, including payment of wages-tax and, in all probability after a lengthy spell of unemployment relief, the liquidation of debts contracted whilst on relief. The recent decision, however, of the Government to increase the daily rates payable on public works standard jobs to 12s. per day for married men and 9s. per day for single men will undoubtedly remove one of the major objections to acceptance of these works, and the Board is not anticipating the same difficulty in manning the works now being arranged as was experienced in the past year.

The year has been marked, too, with a general improvement in the relief payments provided. In this report is set out a full list of improvements that have been effected during the period under review. A very determined agitation was made during the year for an all-round increase in the rates of relief pay by 10s. per week. If the Board resisted granting this in full it was not because of any lack of appreciation of the difficulties being experienced by the unemployed but because it realized that relief at best was only a cure for intermittent unemployment and not a cure for the major problem, which can only be cured by the provision of normal employment at standard rates of pay. Had the Board succumbed to the agitation it would have been impossible for the present arrangement of providing full-time employment for some 7,000 or 8,000 additional workers to be given effect to without involving borrowing in excess of the anticipated return. The effect of employing 7,000 or 8,000 additional men at standard wages will be cumulative and will provide employment for many others in the ordinary industrial avenues. This principle of providing from the Unemployment Fund subsidies to bridge the gap between total costs and economic value is not new to the Board. No better example of the application of this principle is to be found than in the land-development schemes being carried out, mainly in the King-country districts. With the development costs above the economic loading being financed from this fund as relief work, many have been satisfactorily settled on the land. Better by far than attempting any comparison of this scheme which is carried out in co-operation between the Small Farms Board and the Unemployment Board with other schemes for land-settlement is to relate the position as affecting the individual settler. The area might be anything between 50 acres and 120 acres according to productive value. All development work, including fencing and grassing, is carried out by the camp workers. A house and milking-shed are erected, stock is provided, and the settler, selected from the unemployed workers engaged in the development work, is placed in possession without having to provide one penny in cash. The loading maximum of £1,200 is arranged to enable him to make a modest living, meeting all his liabilities when butterfat is not less than 9d. per lb.

Although public works are of the utmost importance in providing employment, inasmuch as they materially increase production with consequential labour absorption, they constitute only one avenue of employment. It is therefore necessary to explore the whole field to provide work which possesses a definite degree of permanency, such as land-development—the Dominion's staple industry—and secondary industry in general. The Board has afforded considerable assistance to this end, and, as will be seen elsewhere in this report, has met with encouraging results. It will, however, unremittingly continue its efforts to cause expansion of industry and so enable a maximum absorption of labour.