

One of the earliest industries to be established in the Dominion was the preparation of fibre from *Phormium tenax*. Commonly called the flax industry, it assumed very considerable proportions, but of late years competitive fibres, coupled with low prices, have seriously reduced production; consequently, many mills were forced to close their doors and the workers were thrown on to relief work. The Board's export subsidy upon fibre has prevented many mills from closing down, and its effects have steadily increased employment in this old and valuable industry. In 1932, 340 persons were employed in twenty-three flax-mills and rope and twine factories. In 1934, twenty-nine factories in the same class were in operation, and the number of persons employed had increased to 486. With the continuance of the export subsidy for a further period, more mills are being put into operation, and growth in employment is steady. The Board has not rested content with one form of assistance to this industry, but has actively co-operated in the determined efforts which are being made to improve the quality and range of fibre produced from flax. There appear to be reasonable prospects of success not only in improving the quality of fibre for cordage purposes but also in the production of a finer and softer fibre which will be used for the purpose of spinning, and which will open up a demand at remunerative prices in an entirely new field, with the result that employment should be considerably stimulated in its production.

The Flax Woolpack Co., which recently commenced operations at Foxton, has made steady progress in the quality of wool-packs produced, and employment in this factory is steadily increasing. The Board has been able to assist this company over a difficult period, which must be expected in the initial stages of a new venture of this type, and, when production reaches the volume originally contemplated, the employment given directly and indirectly will be of considerable importance.

Through a small measure of assistance, which was supplemented by the manufacturers themselves, the Board has been able to keep many men employed throughout the winter in a number of sawmills and factories engaged in the manufacture of export apple cases. The continuity of employment, which was the result of this action, must have greatly benefited many homes during the most expensive period of the year.

Several small industries which are in their incipient stage have been assisted in that manner most desirable to promote their growth and successful establishment. Included in these is the manufacture of industrial cutlery. The Board is giving financial assistance over a period to thoroughly test the possibility of exporting tobacco-leaf. Apart from the benefits which will accrue to the growers of leaf, a considerable amount of direct employment will be created in the treatment of the leaf for export if the quality is suitable for manufacture and the price a remunerative one. The production of pig iron at Onakaka has been assisted during the year, with the result that a large number of men from this district, as well as coal-miners and transport workers, have been given employment for normal hours and wages.

The Board maintains close contact with the various Departments of State which deal in industrial matters through the Development of Industries Committee, and the problems of many industries, such as flax, are under continuous review with the definite objective of stimulating employment wherever possible.

It has been found that there are many men on relief who, prior to the depression, were skilled in some trade. Many of these men have lost their confidence and require patient and sympathetic treatment in order that they may regain their skill. To assist this class of worker the Board is prepared to subsidize their wages for a short period in order that employers will not suffer financially while these men are regaining confidence and skill. The Board trusts that many employers, as they require more men, will give their former workmen an opportunity to re-establish themselves in industry, and make use of the assistance offered by the Board.

FARM SUBSIDY SCHEMES.

During the financial year ended the 31st March, 1935, the Unemployment Board expended an amount of £81,834 under Scheme No. 4A. The number of men employed on farms under this and other subsidy schemes at the end of each four weeks during the period under review will be found in Table II in the Appendix. During the early part of the dairying season in 1934 it became apparent that there was either an improvement in that industry or that seasonal workers were not as readily obtainable as in the past, and in order that applications for farm labour might be met it was decided that no further placements be made under the scheme. The period of suspension operated until the end of May, 1935, when the scheme was reopened on a restricted basis and labour placed for purely development-work which would not be undertaken without assistance. The decline in operations under the scheme may therefore be attributed to these restrictions, but the advantages offered generally by Scheme No. 4B also have had a distinct bearing on the matter.

During the financial year 3,197 single men and 2,508 married men were employed for varying periods.

The Farm Camp Scheme, a modification of Scheme No. 4A, is designed to place workers with farmers who have development-work to do, but who cannot afford to meet the cost of feeding the men employed. A small camp of at least four single men is set up on a property, and the Board, in addition to paying the men the rate of subsidy of 10s. per week, pays the farmer an allowance towards the food-costs. At the 30th June, 1935, 3,650 men had been employed on this basis, and the number of men in farm camps on that date was 127. During the year more searching investigations than hitherto have been made regarding the ability of the employers to engage labour under Schemes Nos. 4A or 4B, and, as a result, a considerable amount of labour has been diverted to these schemes or placed under the Farm Camp Scheme at a reduced rate of ration allowance. The amount expended under the scheme for the financial year ended 31st March, 1935, was £9,619.