

Finally, we might emphasize again the idea which is permeating the whole of this report—viz., that the general welfare of our community depends upon the greatest possible number of our people being engaged in useful and productive work. The moving volume of unemployment may be regarded as a barometer indicating the increase or decrease of the general prosperity. It is therefore everybody's duty to assist in overcoming the evil of unemployment. It cannot be overcome suddenly or by any miraculous method, but we are convinced it can be overcome if every one will take his share of responsibility and put forward a consistent effort to achieve a solution of the problem. It is every one's duty to make this effort, and it is also to every one's real interest.

(II) The Possibilities for Increased Farm Production.

The Committee have already stressed the relative importance of the farming industry to New Zealand. There is probably no country in the world more dependent on farming than this Dominion. It is true that in countries such as Australia and the Argentine farming products form almost as large a proportion of the exports as in New Zealand; but in these countries their larger population, and consequently larger home market, make possible the economic production for home consumption of many lines of manufactured goods that cannot now be undertaken in the comparatively small population of New Zealand, except at undue cost.

The general experience in other countries that are substantial exporters of manufactured goods has been that they first manufactured to satisfy the needs of their home market, and then, when experience showed the lines with regard to which they were relatively well placed as to production costs, they produced a surplus of those lines for export.

As the population of New Zealand increases, so will its manufacturing possibilities increase. The greater the population the greater will be the proportion of its requirements in manufactured goods that it will be economically possible to manufacture within its boundaries. The time will, no doubt, come when in certain lines of manufactured goods, the production of which New Zealand conditions particularly suit, an export trade will be possible.

At the present time farming is the foundation upon which the economic structure of New Zealand is erected. Our great need at present is to increase our farm production upon an export basis. If this can be done it will mean more people on our farms, and more people employed in preparing these additional farm-products for the market and transporting them to ships. The additional people thus employed will find employment for the usual proportion engaged in caring for their numerous wants. All this additional population would widen our home market for manufactured goods, and thus increase the possibilities for the economic production of manufactured goods for home consumption and bring nearer the time when we can manufacture some lines for export. When this stage is reached we will begin laying foundational industries other than farming.

The farm-products that we now produce largely in excess of home-consumption requirements, and which form almost the whole of our exports, are few. They are—

- (a) The products of the sheep (wool, lamb, mutton, pelts, skins, casings, tallow, &c.).
- (b) Dairy-produce (butter and cheese chiefly, with some dried milk, condensed milk, casein, &c.).
- (c) Fruit. (This comes a long way behind our sheep and dairy products, but it shows signs of growth and may yet become a large industry.)

Our sheep and dairy production is growing rapidly. The rapid increase in the use of fertilizers in recent years has had a good deal to do with this. During the last five years our dairy-farmers, in addition to taking care of our increased home consumption, have increased our surplus for export from 60,023 tons butter and 79,451 tons cheese in the 1923-24 season to 80,278 tons butter and 85,458 tons cheese in the season just closed (1928-29). The increases in the latter year amounted to 20,225 tons butter and 6,007 tons cheese, which on a butterfat basis is equivalent to an increase of 23·2 per cent. During the same period our sheep-farmers have provided for the increased home consumption and increased our exports from 6,708,907 to 7,952,530 carcasses of mutton and lamb, the increase being 1,243,623 carcasses, or 18·54 per cent. Besides doing this, the capital stock of sheep in the country during the same period has increased from 23,775,776 to 29,011,447, the total increase being 5,235,671, or 22·02 per cent. It is quite evident that when the Dominion's sheep capital stock stops increasing there will be a very large increase in the export of mutton and lamb. The use of fertilizers and improved farming methods will further largely increase the production of sheep and dairy products. This will be done partly by increasing production from lands now occupied, and partly by bringing in lands which under older farming methods could not be occupied profitably, but which will respond to modern treatment.

The Committee have looked over other lines of farm production to see if there are not some in addition to those already mentioned in which a considerable export trade could be developed. If other lines can be substantially developed without interfering with existing production, it would be possible not only to increase the volume of farm-products available for export, but, by increasing the variety of products exported, make the Dominion less dependent upon the market fluctuations of the small number of lines we now send overseas. The Committee's search for other lines of farm production that could be profitably developed has led it to examine, amongst other things, pigs and poultry. The Committee have come to the conclusion that these two lines can be put on to a profitable export basis under New Zealand conditions.

The Committee's inquiry naturally falls into two lines: First, is there an export market for pig and poultry products if we produce them in excess of our home consumption; and, secondly, if there is a market, can we produce and export to that market profitably?

First as to the market: Our only big export line that has a world market is wool. In dairy-produce, meat, and fruit we are confined largely to Great Britain because other markets of consequence