

1930.
NEW ZEALAND.

UNEMPLOYMENT INQUIRY COMMITTEE

(REPORTS OF THE).

(MR. J. T. HOGAN, CHAIRMAN.)

Presented to the House of Representatives, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

FRIDAY, THE 15TH DAY OF AUGUST, 1930.

Ordered, "That a special Committee be appointed to inquire into unemployment and the conditions relating thereto, and to make recommendations for the better organization and more expeditious application of relief; the Committee to have power to call for persons, papers, and records: the Committee to consist of Mr. Endean, Mr. Hogan, Mr. Massey, the Hon. Mr. Ransom, Mr. Semple, Mr. Sullivan, and mover."—(Hon. Mr. SMITH.)

WEDNESDAY, THE 27TH DAY OF AUGUST, 1930.

Ordered, "That the name of the Hon. Mr. Veitch be substituted for that of the Hon. Mr. Ransom on the Unemployment Inquiry Committee."—(Hon. Mr. SMITH.)

REPORT.

[NOTE.—Evidence given before this Committee was not brought up.]

INTERIM REPORT.

I AM directed by the Unemployment Inquiry Committee, which was set up by order of the House on the 15th day of August, 1930, "to inquire into unemployment and the conditions relating thereto, and to make recommendations for the better organization and more expeditious application of relief," to present to this House an interim report.

The Committee has held six meetings to date. The exigencies of the parliamentary situation relating to the departure of the Prime Minister for the Imperial Conference and the necessity for members attending on other Committees have prevented the Committee from meeting more frequently, although the Committee is well aware of the urgency of the work entrusted to it by the House.

The Committee has found its task a difficult one, more particularly in regard to affording immediate relief.

Much confidential information on the financial and administrative side of the matter referred to the Committee has been placed before the Committee by the Government.

In addition, the Committee has obtained valuable and useful reports on—

- (a) The number of unemployed men registered and graded according to their capacities:
- (b) The number of men employed on public works (including local bodies) since the 1st April, 1930, and the possibilities of further absorption of unemployed by the Public Works Department:
- (c) The amount and conditions of subsidies for relief of unemployment approved from the 1st April to the 23rd August, 1930:
- (d) Employment of labour by the State Forest Service:
- (e) The possibilities of the employment of labour on sand-dune reclamation:
- (f) The activities of the Lands and Survey Department with reference to unemployment:
- (g) The possibilities of the immediate development of certain industries.

A number of private individuals have submitted ideas for helping to absorb unemployed, and, where a technical opinion is required, such ideas have been referred to experts for report. Included in this list is a proposal for the conversion of scrap or waste copper into sheet copper. At present it appears that this copper goes out of New Zealand for conversion at a value of about £1 8s. per hundredweight and on coming back retails at about £11 per hundredweight.

The Committee has also asked for a valuation of the land—some 3,063 acres—planted by the State Forest Service at the mouth of the Rangitikei River, with a view to determining the commercial possibilities of reclaiming sand-dunes for grazing purposes.

At its next meeting the Committee will be supplied with information on the question of the development of the shale-oil industry, and the Department of Industries and Commerce has been asked to furnish a report on secondary industries suitable for assistance or development.

The Committee has devoted some consideration to the question of coal-carbonization, and has been furnished with much information by the Under-Secretary of Mines, who attended personally and gave the Committee very interesting details concerning suitable localities and the value of the industry to New Zealand, and the practically certain displacement of imported coals. As a result of the information gained, the Committee passed the following resolution: "That the Government be urged to take whatever action may be necessary to encourage the establishment of additional coal-carbonization plants in New Zealand."

The Committee being of opinion that local unemployment committees, more particularly in populous centres, would help the work of this Committee, and, later, of the Unemployment Board, the Hon. the Minister of Labour is communicating with local authorities regarding the employment of those unemployed who apply for sustenance, so that there will be no delay after the Unemployment Bill is passed.

Since the Committee was appointed five hundred unemployed men have been placed by the Government on public works, and a further two hundred will be sent out in a few days.

9th September, 1930.

J. T. HOGAN, Chairman.

SECOND INTERIM REPORT.

I AM directed by the Unemployment Inquiry Committee to present to the House a further interim report.

Since the presentation of its last interim report the Committee has held four meetings, and has inquired into the question of promoting or assisting certain secondary industries from the point of view of assisting immediately in the relief of unemployment.

The Committee is of opinion that both from the point of view of unemployment and from the national standpoint the flax industry should receive the immediate consideration of the Government.

The Committee has received valuable information in relation to this industry and has passed the following resolution: "That the Committee recommend the Government to compel an improvement in the quality of flax grown and manufactured in New Zealand and to encourage an increase in the quantity produced, as it is apparent that there is a world market for good-quality fibre. The Committee is of opinion that the Government should consider the advisability of granting a subsidy on the production of best-quality fibre for a limited period, as a means of securing the end in view. The Committee recommends that a conference of Government representatives, mill-owners, flax-land owners, and employees in the industry be called by the Government for the purpose of considering the whole position in regard to the flax industry, with special regard to (a) reduction in costs by increased efficiency; (b) the vital necessity for improvement in the quality and grade of the fibre produced; and (c) the establishment of a State flax-mill for training purposes, or, alternatively, the appointment of additional instructors for the purpose of educating those engaged in the industry in the best methods to be employed."

In the opinion of the Committee it is quite probable that this industry can be so restored as to almost permanently employ at least one thousand five hundred men.

The Committee has also inquired into the extent to which New Zealand products have been, and can be, used by State Departments in preference to goods of foreign manufacture, and has passed the following resolution: "That, in view of the fact that the Stores Control Board is the largest purchaser in New Zealand, the Committee recommend that Ministers in charge of all Departments instruct their respective Departments, when supplying specifications of goods required, to stipulate that the article shall be New Zealand made, conditionally on its being of sufficiently good quality and reasonable price. The term "reasonable price" should be interpreted as a fair and reasonable price, having regard to the cost of production in New Zealand by established and efficiently administered local industries."

Further information and reports on coal-carbonization have been received, and information is being sought on the possibilities of the shale-oil industry.

From the point of view of relieving unemployment, the Committee is also calling expert evidence on the question of financial assistance to farmers.

It is with the particular view of bringing the above-quoted resolutions before the House that I am directed to present this further interim report at the earliest possible moment.

29th September, 1930.

JAS. T. HOGAN, Chairman.

FINAL REPORT.

I HAVE the honour to report that the Unemployment Inquiry Committee, consisting of seven members, has held thirteen meetings, with an average attendance at each meeting of six members. Two interim reports have been presented to the House.

A summary of the work of the Committee to date is as follows:—

The Committee received from Ministers, early in its sessions, the following returns:—

- (1) Analysis of registrations of unemployed at Labour Bureaux on the 11th August, 1930 (five days before the appointment of the Committee).
- (2) Statement of the number of men employed by the Public Works Department on standard and relief works, the expenditure on relief works, and the present limits of further employment.
- (3) Statement of number of men employed on public works (including local bodies) week by week since the 1st April, 1930.
- (4) Subsidies for local-body relief works approved for the period 1st April, 1930, to 23rd August, 1930.
- (5) Statement of the activities of the Lands and Survey Department with reference to the problem of unemployment.
- (6) Statement relating to the employment of labour by the State Forest Service from December, 1928, to July, 1930, and the limits of further present employment.

In the course of its inquiries the Committee has heard fourteen witnesses and considered twelve reports. Owing to the short notice unavoidably given some Departments, some of these reports were hurriedly compiled and were necessarily incomplete. Other Departments, with longer notice, furnished very complete reports which afforded the Committee much valuable and helpful information. The reports received comprised,—

- (1) Report of the Department of Industries and Commerce on the development of secondary industries with a view to increasing employment.
- (2) Report of the Dominion Analyst on the application of low-temperature processes to the carbonization of coal.
- (3) Report of the Under-Secretary of Mines on the low-temperature carbonization of coal.
- (4) Report of Mr. Robert English on high-temperature carbonization of coal.
- (5) Report of the State Forest Service on sand-dune fixation in relation to providing employment.
- (6) Report of the Stores Control Board in regard to purchases of New Zealand products by the State.
- (7) Report of the Government Chief Hemp-grader on the flax industry.
- (8) Report of the office of the Minister of Industries and Commerce on the recovery of sheet copper from scrap copper.
- (9) Report of the Mines Department on the Orepuki shale deposits.
- (10) Report of the Department of Industries and Commerce on possible markets for coal-carbonization and shale-products.
- (11) Report of the Superintendent of the State Advances Office on the possibilities of assisting farmers with a view to relieving unemployment.
- (12) Report of the Department of Industries and Commerce, after conferring, at the request of the Committee, with manufacturers' and trade associations, on the possibility of increasing employment in the secondary industries.

The Committee has been compelled to recognize that general financial considerations must enter largely into its recommendations.

The report of the Superintendent of the State Advances Office, made at the request of the Committee, on the question of financial assistance to farmers, outside the established State channels, traverses the questions of (1) placing men on the land at a price, notwithstanding the amount expended by the Crown in bringing that land to a certain state of cultivation, that will enable the worker-farmer to make a fair and reasonable living after payment of outgoings in interest, rates, &c., and (2) subsidizing farmers to the extent of the difference between the present rate of wages and the rate it is considered the farmer can afford to pay, having due regard to the present-day prices of our primary products.

In relation to the development and assistance of secondary industries as a means of relieving unemployment, the Committee was much impressed by the reports and information supplied by the Department of Industries and Commerce.

The question of coal-carbonization is of importance, since it involves the displacement of foreign coal and the utilization of waste coal, with a consequent development of the New Zealand coal-mining industry and an increase of employment. The merits of the two processes—high- and low-temperature carbonization—discussed before the Committee require careful consideration.

Evidence was given before the Committee in relation to the steel-pipe-manufacturing industry in New Zealand, and the Committee passed the following resolution: "That the Committee recommend the Government to consider the request of the steel and cast-iron pipe industry of New Zealand that the tariff protection be extended to include pipes from 4 in. in diameter upwards."

Following an address by Mr. W. J. Polson, M.P., the Committee passed the following resolution: "That this Committee is of opinion that the provision of adequate finance for farmers at a reasonable rate of interest is absolutely essential at the present time in order to (1) keep on the land those who are

already there, and (2) to enable those whom it is proposed to place on the land as new settlers to get established. The Committee recommends that legislation be passed this session placing the guarantee of the State behind the bonds issued by the Rural Intermediate Credits Board."

The following resolutions of the Committee have been submitted to the House by the Committee in its previous reports:—

(1) "That the Government be urged to take whatever action may be necessary to encourage the establishment of additional coal-carbonization plants in New Zealand."

(2) "That the Committee recommend the Government to compel an improvement in the quality of flax grown and manufactured in New Zealand, and to encourage an increase in the quantity produced, as it is apparent that there is a world market for good-quality fibre. The Committee is of opinion that the Government should consider the advisability of granting a subsidy on the production of best-quality fibre for a limited period, as a means of securing the end in view. The Committee recommends that a conference of Government representatives, mill-owners, flax-land owners, and employees in the industry be called by the Government for the purpose of considering the whole position in regard to the flax industry, with special regard to (a) reduction in costs by increased efficiency; (b) the vital necessity for improvement in the quality and grade of the fibre produced; and (c) the establishment of a State flax-mill for training purposes, or, alternatively, the appointment of additional instructors for the purpose of educating those engaged in the industry in the best methods to be employed."

(3) "That, in view of the fact that the Stores Control Board is the largest purchaser in New Zealand, the Committee recommend that Ministers in charge of all Departments instruct their respective Departments, when supplying specifications of goods required, to stipulate that the article shall be New Zealand made, conditionally on its being of sufficiently good quality and reasonable price. The term 'reasonable price' should be interpreted as a fair and reasonable price, having regard to the cost of production in New Zealand by established and efficiently administered local industries."

At its final meeting to-day the Committee passed the following resolution: "That it be a strong recommendation to the Government that the investigations regarding primary and secondary industries—especially land-settlement and farmers' finance—be continued with a view to affording every possible assistance to the Unemployment Board in the prosecution of its important work."

25th October, 1930.

JAS. T. HOGAN, Chairman.

SPECIAL REPORT.

I AM directed to report that at its final meeting the Unemployment Inquiry Committee expressed its appreciation of the services rendered by the Clerk, Mr. W. J. Organ, and directed that the resolution be recorded in the minutes and reported to the House.

25th October, 1930.

JAS. T. HOGAN, Chairman.

SPECIAL REPORT.

I HAVE the honour to report that this Committee desires to place on record its appreciation of the care and ability with which the Chairman, Mr. J. T. Hogan, has conducted the business of the Committee, and directs that this resolution be recorded in the minutes of the Committee and reported to the House.

25th October, 1930.

R. SEMPLE, Member of the Committee.

Approximate Cost of Paper.—Preparation, not given; printing (375 copies), £4 10s.

By Authority: W. A. G. SKINNER, Government Printer, Wellington.—1930.

Price 3d.]