

With regard to "C," I am in a position to analyse the figures used by the Commission. The "net revenue" used by the Commission is £16,500,000. It represents Customs, excise, and land-tax collected by the Federal Government and *nothing else*. It does not include States' revenues collected for "national purposes," such as I have already indicated, nor does it include *net receipts* from national undertakings carried on by the States—*e.f.*, railways, &c.—if such "net revenues" exist.

In the case under consideration ("C"), the States' revenue from taxation in 1913-14 amounted to £6,304,836. This includes income-tax collected by the States. (Note: In 1913-14 no income-tax was collected by the Federal Government, though now the Federal Government does collect such tax.)

Comparison on Basis of Taxation only for 1913-14.

	New Zealand.	"C."
Revenue from taxation only ..	£5,918,034	£16,500,000
	Federal Government ..	
	States' Governments ..	£6,304,836
Revenue from taxation only ..	Federal Government and States' Governments	£22,804,836
Net revenues used by Commission ..	£8,200,000	£16,500,000
Net revenues in D. 18 ..	£8,000,000	£47,700,000

I call attention to the following facts:—

- (a.) In the case of New Zealand the Commission has included net revenues of Government undertakings without making any allowance for interest on capital invested in the undertakings.
- (b.) In the case of "C" the Commission has used taxation by the Federal Government only, and has not added the taxation raised by States for education, &c., nor has it added the net revenues of Government undertakings carried on by the States for national purposes.

It may be argued that these undertakings, after interest is deducted, produce little or no revenue. That is true also of New Zealand, but in the case of New Zealand even the interest has not been deducted.

MOTIONS BY SIR JAMES ALLEN.

1. That Table II be accepted for the year 1922 subject to adjustments in the net revenues which the Commission on Allocation can make from the statistics available to them at the present time. Such adjustments shall include—

- (a.) Deduction of interest in the case of Government undertakings in order to arrive at more accurate "net revenues";
- (b.) The addition to the parent State's revenues of revenues collected by provinces for national undertakings, such as education, justice, police, prisons, &c.

2. That the recommendation of the First Assembly (17th December, 1920) to the effect that "The allocation for 1922 shall be so arranged by the Assembly of 1921 that members who shall have contributed in 1921 more than they would have done if the new scheme had been in force will, in 1922, pay a correspondingly smaller amount than their quota, and *vice versa*," be not brought into operation pending the meeting of the Assembly in 1922.

3. That the Commission on Allocation be asked to continue its labours and prepare a report to be considered by the Assembly at its meeting in 1922. If the Commission is not in a position to recommend to the Assembly at its meeting in 1922 more satisfactory bases for allocation of contributions of States than population and net revenues, then it should indicate what alterations in assessment of contributions it recommends as a result of additional evidence with respect to net revenues and population available in the meantime.

4. That the Commission be respectfully asked to recommend, for consideration by the Assembly in 1923, a scheme of allocation which it considers equitable after having made as full inquiry as possible.

COMMITTEE No. 5.

The Typhus Campaign.—The report made to the Assembly by Monsieur Ador on behalf of the committee is numbered A. 100, and the resolution with which the report concludes (see Document A. 117) was passed on the 21st September. During the discussion I took the opportunity of making a statement on New Zealand's efforts, through the Save the Children Fund, for the alleviation of sickness and distress in Europe—efforts which represent in money alone nearly £60,000.

Organization of Intellectual Work.—The report and the Assembly's resolution will be found in Documents Nos. A. 97 and A. 116.

Women and Children in Turkey, &c.—It will, I feel sure, be a matter of surprise to many people in New Zealand to learn of the conditions disclosed in the Report on Women and Children in Turkey, Asia Minor, and the Neighbouring Territories (Document A. 113). The organizations already created by the League are so numerous that it is only after considerable hesitation that one gives consent to the establishment of yet another; but a good case has been made out, if only on humanitarian grounds, for the appointment of a Commissioner of the League in Constantinople, and the constitution of a Board to act under him. The cost of maintaining the Maison Neutre, which has already accomplished such excellent work, involving an expenditure of not more than £1,500 for one year, is, after all, not great. On the 23rd September the Assembly passed unanimously the resolution proposed by the committee (Document A. 127).