

sufficient to meet all claims. It must not be bankrupted before the administration and work of the Board has had sufficient time to feel its way and prove the efficacy of its dealing with the problem of unemployment.

A perusal of the numerous reports on the working of the Unemployment Insurance Acts in the different countries where they have been enacted emphasizes the necessity for great care in the drafting of the measure, and in the administration by the Board to prevent exploitation and a misuse of the funds.

While we wish to emphasize strongly the need for proper safeguarding and conservation of the fund, we also recognize the necessity for making reasonable provision for the payment of sustenance allowances to unemployed workers during periods in which the Board may find it impossible to secure them employment. We experienced considerable difficulty in deciding upon a scale of sustenance allowances, because we realize the impossibility of determining at all accurately the total sum which might be required in any year to provide for such allowances. In other words, we have been able to estimate the income of the Board but not its expenditure. However, we finally decided unanimously to recommend the following scale of payments to be included in the legislation which will be required to give effect to our proposals :—

For youths under eighteen years of age who register for employment, such amount as the Board in its discretion may allow in the circumstances.

Males twenty years and upwards	..	..	..	21s. per week.
Females, twenty years and upwards	..	..	..	17s. 6d. per week.
Males, eighteen to twenty years	..	..	..	15s. per week.
Females, eighteen to twenty years	..	..	..	12s. 6d. per week.
(a) Wife or (b) person occupying position of wife or substitute in household	..	..	..	17s. 6d. per week.
Each child up to sixteen years of age not exceeding four in any one family	..	..	..	4s. per week.

It may happen that the demands for payments on this scale in a bad year may be so high as to seriously deplete the Board's resources, but we consider that so long as it be definitely provided that in the event of the fund raised by our taxation proposals being found to be insufficient for the purposes of the Board any enlargement of the fund shall be secured only by increasing the taxation levy proportionately upon each section of contributors, and in no other way; this in itself will constitute a sufficient safeguard against careless administration or exploitation of the fund, because of the direct incentive to all taxpayers to use every endeavour to minimize unemployment and so save themselves from further taxation.

We feel that this point cannot be emphasized too strongly. The Consolidated Fund must not be used to supplement the fund raised by special taxation to a greater extent than the one-third of the Board's total expenditure above referred to.

One of the most important effects which must arise from our method of special taxation is that every taxpayer will feel that the problem of unemployment is one which affects him personally; but this effect would be lost to a large extent if the Board could successfully appeal to the Government for moneys out of the Consolidated Fund. It is essential that the Board's fund should be raised in the way we have already proposed, and if the sum so raised is insufficient then each section of the taxpayers must be called upon to pay such proportionately higher taxation as may be required to make it sufficient. If this be not definitely provided then the whole principle underlying our recommendations will be violated.

In order to conserve the fund and give the Board time for organizing the necessary administrative machinery, we recommend that a period of six months should elapse between the coming into operation of the Act and the granting of any benefits from the fund; no worker to be entitled to make any claim on the Board or fund until six months after his registration under the Act and his first payment of the individual tax. We further recommend that while the Board should assist by every means in its power to find employment for all persons registering at the labour exchanges for employment, it should not make sustenance payments to persons with independent means.

We also recommend that the Board should pay particular attention to those who may be so unfortunate as to find themselves in the unemployed ranks for any considerable length of time. In what might be termed the chronic cases, we consider that much useful work might be done by the Board if they organized a system of local committees on a voluntary basis to assist the Board in individual investigation of the more chronic cases with a view to assisting the deserving to establish themselves in some suitable productive avenue whereby they would be permanently removed from the ranks of the unemployed. The Board should be empowered to make advances from the fund for this purpose should they deem it desirable to do so, and upon such terms as they may decide.

#### SUMMARY OF RECOMMENDATIONS.

##### NEW ZEALAND EMPLOYMENT BOARD.

1. A permanent Board to be created to deal with unemployment.
2. The Board to consist of six members, appointed by the Governor-General: two members representing employers to be selected from nominations received from employers' organizations; two members representing the workers to be selected from nominations made by workers' organizations; and two members selected by the Government, one of whom is to represent the taxpayers not in either employers' or workers' organizations, and the other to be the Chairman of the Board.