

necessarily were limited by finance, there was still a large number of unemployed, so in February last the Unemployment Board introduced a scheme for providing rationed relief work through the medium of local authorities. This marked the first occasion when some work was offered to all registered unemployed, with the result that there was a large increase in the number of registrations. At the inception of this last-mentioned scheme, there were 17,000 registered unemployed, and the number rapidly rose to 37,600 by the end of the financial year, when the Board was incurring expenditure at the rate of, approximately, £2,000,000 per annum. The fund was obviously not equal to such a drain, and on the exhaustion of the available moneys it was publicly announced that further commitments would have to be suspended until Parliament had met. In view, however, of the wide appeal made for the continuation of the scheme and the near approach of the session, the Government subsequently decided to arrange the necessary finance in the meantime, and, as honourable members are aware, legislation has now been passed imposing the maximum taxation for relief schemes that it is considered the country could reasonably afford, having regard to the economic position and demands on the taxpayers for other purposes.

Honourable members and the country generally will, I feel sure, agree that everything possible should be done to reduce unemployment to a minimum, and while additional burdens must necessarily be imposed on those of us who are employed, I am convinced that the majority of citizens will agree that there is no reasonable alternative under the circumstances.

During my visit to the Imperial Conference, I both saw and heard of the demoralizing effect of the dole system, and I am satisfied that in the long-run damage will be done to the *morale* of those in receipt of pay without work. It is thus essential that work should be provided, and, although it is a difficult matter, every effort must be made to provide work of a productive nature in order to lessen the economic burden of the taxation imposed to finance the schemes.

In addition to subsidizing expenditure totalling £319,141 incurred by the Unemployment Board, the Government has provided employment for as many men as possible on public works, and during the financial year ended the 31st March last the following expenditure on relief was incurred by the State:—

Expenditure on unemployment relief.

	£
Subsidy paid to Unemployment Board	159,247
Public Works Department (including main highways) ..	1,249,446
State Forest Service	85,000
Department of Lands and Survey	21,933
Subsidies to local authorities	116,768
Total	£1,632,394

Wherever practicable, men engaged on public relief works are employed on a co-operative contract system whereby they are paid by results. I might add also that the number of men employed by the Public Works Department during the past two years on all its works (including relief works) was the highest in the history of the Department.

The Government, I may add, fully recognizes the necessity for a permanent solution of the unemployment problem, and is taking all steps possible in this direction.

HAWKE'S BAY EARTHQUAKE, 1931.

I propose now to refer to the earthquake which occurred in the Hawke's Bay District on the 3rd February last, resulting both in loss of life and material damage to property.

Hawke's Bay earthquake.

Immediately advice was received as to the nature and extent of the damage the Government issued instructions for the organization of relief measures, the success of which may be judged from the fact that within forty-eight hours of the earthquake adequate medical assistance and supplies, temporary accommodation, and food were available in the stricken areas. Great credit in this connection is due to the Navy for the quick response and valuable assistance rendered, and also