

to have been released from private sources in the payment of wages to men engaged directly or indirectly on the new works. The good results attending this experiment led to the reintroduction of the scheme on a more liberal basis; and it is expected that the private employment being created by this means will be a material factor in reducing the present weekly rate of commitments for unemployment relief.

The present weekly rate of commitments is over £100,000, which is considerably in excess of the average weekly income of the Unemployment Board. With the recommencement of seasonal occupations in the spring and summer, together with the favourable influence anticipated from the effects of the subsidized building scheme, this rate of commitment can be lowered to enable the total expenditure over the year to be kept within the total income.

It is estimated that the revenue which will become available to the Unemployment Fund during the financial year 1933-34 will be £4,300,000, made up as follows:—

	£
General unemployment levy	430,000
Emergency charge on wages and salary	2,870,000
Emergency charge on income other than salary or wages	1,000,000
	£4,300,000

Honourable members will notice that the receipts during the present financial year from the emergency charge on wages and salary (generally known as the "wages-tax") are estimated to show an increase of £400,000 over the past year. This advance is based on a steadily rising revenue which is now apparent from that source, and, in view of the fact that it points to a proportionate rise in the wages being received by the community as a whole, it has significance as a tangible indication of improving economic conditions.

The *per capita* contribution of New Zealand taxpayers towards the relief of their unemployed fellow-citizens is higher than in most other countries, and the Government is pleased to be able to give an assurance that the present year's requirements for unemployment relief can be reasonably met by the financial resources to be derived from the present taxation.

It is satisfactory to note that our unemployment finances are on a sound basis and that, contrary to the position existing in most other countries which have been afflicted with unemployment, the Dominion is meeting its obligations in this respect almost entirely out of revenue. When unemployment relief ceases to be a major cause of expenditure, assets and not interest debts will remain.

STATE SUPERANNUATION FUNDS.

As indicated in the Financial Statement for last financial year, the position of the superannuation funds is most unsatisfactory. Early action to stop the drift and place the funds on the way to financial stability is urgently necessary. A Bill was introduced last session to give effect to the recommendations of the National Expenditure Commission whereby in effect the burden of rehabilitating the finances of the three funds would be approximately halved as between the State and its employees. The Bill was referred to a Committee, but so voluminous was the evidence offered that nothing further could be done before the session closed.

As was to be expected, the proposals put forward have been criticized from various angles, and in this respect there is to some extent a conflict of interest between those already retired on superannuation and the present contributors to the funds, the latter naturally being more interested in the ultimate position of the funds than are the superannuitants.

Still, the facts to be faced are that action must be taken to meet the situation, and that the whole cost of placing the funds in a sound position cannot possibly be provided out of taxation. Alterations as to rights and conditions are therefore unavoidable, but I feel a tremendous responsibility in making alterations other than

Superannuation funds.