

One of the most striking features of the British proposals is the thorough manner in which the machinery of friendly societies is to be utilized, and it is clear that any scheme purporting to deal with this problem must take into account the work of these well-organized and deserving bodies. In considering any extension of our system, therefore, the interests of the friendly societies can be relied upon to be carefully protected.

There is no doubt that the compulsory policy in respect of this important social reform has in recent years made considerable headway in public opinion, and few students of the problem doubt its efficacy in the older countries where highly organized industrialism and extensive distress exist side by side. The extremes of poverty and wealth existing in European States, however, find no parallel, even comparatively, in our land, where we are still fortunately in the position of being able to forestall many of the evils so inherent in older social systems.

There is, I think, the opportunity in this country to attain universality of sickness and health insurance by the most economic methods and at the same time on sound actuarial lines—that is, by enlisting the young into insurance and preventing them from lapsing from it throughout life. It should also be our aim to secure the gradual co-operation of the various organized bodies having kindred objects. The lines upon which the fund might enlarge its scope would be to provide for immediate sickness, and enter into the question of assisting local bodies to overcome their superannuation difficulties.

By following the policy I have outlined it should be possible, without entailing heavy financial obligations on the State or the individual, eventually to arrive at as good results as would be attained by the adoption of an immediate compulsory system.

The insurance against unemployment proposed in the British scheme is admittedly experimental and restricted. It is the first national scheme of its kind, and the developments will be watched with absorbing interest in those countries where the problem is under observation.

PUBLIC SERVICE CLASSIFICATION.

As was stated in the Financial Statement of last session, the amalgamation of Departments and extensive retrenchments upset in a great measure the classification which had been almost finished by the Board appointed under the Act of 1908. During the recess the Classification Board appointed a committee to draw up a scheme for the classification of the whole of the Public Service, excluding the Railways and the Post and Telegraph Departments, which are already classified, and the report of the Board will be presented to Parliament shortly. It will not be brought into force this year, and ample time will be given to all concerned to appeal if desired. Increases of salary will be provided on the supplementary estimates.

PUBLIC TRUST OFFICE AUDIT.

At the request of the Public Trustee, arrangements have been made with the Auditor-General for taking over the inspection of the Public Trust Office branches and agencies which for some years has been carried out by the office itself. The services of the Travelling Inspectors of the Audit Department will be available for this purpose, and will insure an independent audit being made, which is much more desirable than a departmental one.

PUBLIC SERVICE SUPERANNUATION FUND.

The income during the year ended 31st December, 1910, amounted to £156,008 14s. 7d., including £32,785 15s. 4d., being the value of the Police Provident Fund transferred on 1st April, 1910, and £22,500, annual subsidy by the Government. The amount contributed by members of the Fund during the year was £90,214 13s. 6d., not including £1,904 11s. 8d. which officers of the Police Force contributed to their Provident Fund during the three months immediately prior to the date of merging; the balance of the income being made up of interest, £10,211 16s. 4d., and fines, £296 9s. 5d. The total outgo for the year, of £46,608 16s. 3d., includes allowances to members and to widows and children of deceased members, £36,009 17s. 3d., as