

members appointed by the Governor-General, of whom one is Deputy-Chairman, and the Commissioner of Unemployment. Early in August, 1931, the personnel of the new Board was announced, the members being—

The Hon. S. G. Smith, Minister in Charge (Chairman),
 Mr. James S. Jessep, of Wairoa (Deputy-Chairman),
 Mr. Walter Bromley, of Wellington,
 Mr. P. R. Climie, of Christchurch, and
 Mr. Malcolm Fraser, who at that time was Commissioner of Unemployment.

The newly-constituted Board held its first meeting at Parliament Buildings, Wellington, on 6th August, 1931.

On the retirement, in September, 1931, of the Hon. S. G. Smith, consequent upon the formation of the National Government, the Right Hon. J. G. Coates, P.C., took over the administration of the Unemployment Relief legislation, as Minister of Employment, and became Chairman of the Board.

At the end of March, 1932, Mr. Malcolm Fraser relinquished the office of Commissioner of Unemployment, the vacancy being filled by the appointment of Mr. G. C. Godfrey, formerly Secretary of Marine.

The Board at its first subsequent meeting placed on record its appreciation of the very valuable services rendered by Mr. Fraser, who remains an associate member of the Board.

With the departure on the 28th June, 1932, of the Right Hon. Mr. Coates to attend the Imperial Economic Conference at Ottawa, his functions as Minister of Employment, and the chairmanship of the Board, were assumed by the Hon. Adam Hamilton, Minister of Internal Affairs and Postmaster-General.

THE UNEMPLOYMENT FUND.

(a) REVENUE.

In the first report of the Unemployment Board the precarious position of the Fund during the first four months of the 1931–32 financial year was fully dealt with. A complete stoppage of the Board's largest scheme (No. 5) was avoided only by the action of the Government in making the necessary finance available. At the end of July, 1931, the Fund was in debt to the extent of approximately £250,000.

Prior to the passing of the Unemployment Amendment Act, 1931, the Board's financial resources consisted of the receipts from the annual levy of £1 10s. imposed on males aged twenty years and over, together with a subsidy from the Consolidated Fund of 10s. for every £1 of expenditure from the Unemployment Fund.

As a result of amending legislation, the Board's sources of revenue now comprise—

- (1) The levy on males aged twenty years and over (designated the "General Unemployment Levy") reduced to £1 per annum.
- (2) A charge on salary, wages, and other income at the rate of 1d. for every 6s. 8d. or part thereof, known as the "Emergency Unemployment Charge." This was a new charge, and by section 8 of the Unemployment Amendment Act, 1932, the rate was increased to 1d. for every 1s. 8d. or part thereof.

From estimates supplied prior to the passing of the Amendment Act in April, 1932, it was assumed that the Board's income from taxation for a full year as from 1st August, 1931, would approximate £1,300,000, comprising some £400,000 from the levy and £900,000 from the emergency charge, which, with the addition of subsidy from the Consolidated Fund, would make a total of £2,600,000 available for expenditure on unemployment relief, and for extinguishing the deficit in the Fund at the 31st July, 1931. Making due allowance for the fact that the emergency charge operated only in the last eight months of the financial year, and that many taxpayers effected payment of instalments of the levy and charge in advance, this estimate proved to be a very accurate one, but in view of the pressure on the Board's funds during 1931, it was apparent that the anticipated increase in registrations could not be coped with by the existing resources of the funds.

Amending legislation was, therefore, passed in April, 1932, resulting in the rate of the emergency unemployment charge being raised to 1s. in the pound as from the 1st May, 1932. At the same time, the subsidy previously provided from the Consolidated Fund was abolished. The exemption of £250 hitherto allowed in determining for taxation purposes the income of women from sources other than salary or wages was reduced to £20. On the new taxation basis the Unemployment Board's financial resources for the present fiscal year 1932–33 were estimated at approximately £3,600,000, as compared with a figure of £2,439,000 for the year ended 31st March, 1932.

With the additional funds thus placed at the disposal of the Board, it was possible to effect a number of improvements in the relief scales in operation in the four main centres where distress was the most acute, and arrangements were also made to relieve Hospital Boards of the necessity for granting charitable relief to the majority of unemployed workers and their families.

These revisions are discussed at greater length elsewhere in the report.

(b) EXPENDITURE.

As will be seen from the statement of receipts and payments hereunder, an amount of £2,216,886 was paid from the Fund during the year 1931–32 for the relief of unemployment. The total expenditure from the Fund was £2,254,257, the cash balance in the Fund at 31st March, 1932, being £184,942.

It should be noted that this is the cash position of the Fund. Taking into account debtors and creditors at that date, the position, however, is not materially altered. On this basis there was available for relief at 31st March, 1932, financial resources totalling £186,642. It will be patent that the demand for relief was fully extending the Board's financial resources, when it is remembered that after 31st March, 1932, there would be no appreciable amount of additional cash received into the Fund until the 1st May, 1932, when the next instalment of levy and emergency unemployment charge on income other than salary or wages became due. The necessity for the increase made in the rate of the emergency charge as from 1st May, 1932, in view of the ever-increasing demands on the Fund, is therefore quite apparent.