

Hospital Boards.—It has been the practice for Hospital Boards to provide sustenance for registered unemployed, particularly in the stand-down periods. Waste is caused by duplication and overlapping when the same able-bodied unemployed are assisted from public funds by the Unemployment Board and Hospital Boards and possibly by other social organizations. It is therefore proposed to remove from Hospital Boards the necessity for assisting. This means that any relief it may be possible to give to registered unemployed, apart from wages, will be given from the Unemployment Fund, while Hospital Boards will be responsible for relief to those whose distress is due to causes other than unemployment. Until such time as payment for relief is brought under one control it is impossible to say how much unemployment is costing the country.

It will be seen from what I have said that Hospital Boards will be relieved of a considerable drain on their resources, and as a result of the proposed change in method and organization, Hospital and Charitable-aid Boards should be able to reduce their demands for levies on local bodies.

TAXATION.

An increase in the income of the Unemployment Fund is imperative. The present income is £2,500,000 a year. Outgoings at the rate of about £50,000 weekly, amount also to £2,500,000 a year. The cost cannot be much reduced as long as the unemployed number some fifty thousand (as they do when men in subsidized employment on farms and gold-prospectors are included). Then we are faced with the need of taking over from the Hospital Boards the responsibility of providing for able-bodied unemployed. We must move men from cities, where little work is offering, to country districts; they will be more usefully employed; they will be giving some definite return; but the initial cost will be higher than it is now. Apart from any other increase, a considerable proportion of men who have been employed on public works and paid out of capital funds must come on to the Unemployment Fund.

It is clear that the Consolidated Fund will not be able to contribute anything in the ensuing year by way of subsidy to the Unemployment Fund. Nor is it anticipated that the amount payable this year by way of levy and special tax on wages and income will equal what was received during the present financial year from the same income avenues.

The special tax for unemployment stands outside of ordinary taxation and outside of State revenue. It is in the nature of insurance or a pool as amongst those who are in employment and those who are unemployed. From this viewpoint, and so long as the available funds are economically administered, I am sure that those who are in employment and in receipt of income—even a falling one—will not grudge the increase shown to be necessary.

The tax will now be extended to include women with individual incomes below £250 a year from sources other than salary or wages; at present they are exempt, while women with the same or smaller incomes from wages and salary are subject to the tax. This anomaly will be removed.

It is necessary to ask Parliament to increase the unemployment tax to 1s. in the pound.

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