

has been £26,000,000. The net profits for the year were £32,650; and following upon the increase in the rates of interest granted last year on money invested in the Common Fund, and the reductions in commission and charges, this result is very satisfactory.

**Native Trust Office.**

The operations of the Native Trust Office are on a much smaller scale, and activities during the year were somewhat restricted owing to the dearth of funds, but nevertheless a small profit was shown on the year's working.

**State coal-mines.**

The output of coal from the State coal-mines for 1926 was 179,147 tons, an increase of 47,982 tons compared with the previous year. The financial accounts disclose a profit for the year.

These commercial Departments are not run with the idea of amassing large profits, but, with the exception of the State Coal-mines and the Native Trust Office, whose profits must be used to build up reserves, they are all required to pay income-tax in the usual way.

**Post Office and Railways.**

In addition to the Departments I have mentioned, there are also the big State services of the Post Office and the Railways. The Post Office closed the year with a small profit, but the Railway Department was not quite so successful, a relatively small loss being shown on the year's working, ascribed to a decline in passenger receipts resulting from the increase in the number of private motor-cars and the keen motor-bus competition in suburban areas.

## UNEMPLOYMENT.

**Unemployment.**

The unemployment difficulty is a matter receiving urgent attention, and in order to help the situation, State departments, by accelerating their programmes, have absorbed large numbers of additional men. I am pleased to say that local authorities and citizens generally are also taking active steps to assist in coping with the situation. The first Act passed this session was the Local Authorities Empowering (Relief of Unemployment) Extension Act, 1927, which extended the operation of the principal Act passed last session until the 30th June, 1928. The object of this legislation is to enable local authorities to raise loans for relief works without taking a poll of the ratepayers. Apart from the publicity which is required by the Act to be given to the proposal to raise any such loan, the interests of the ratepayers are protected by the fact that all loans must be approved by the Local Government Loans Board in the usual way.

**Subsidies to local authorities.**

To assist local authorities in this matter the Government have since decided to pay a subsidy to local bodies equal to half the expenditure on wages, based on the rates of 9s. per day for single men and 12s. for married men, provided the labour cost of the relief work constitutes at least 60 per cent. of the total cost of the job and the work is of a capital nature. Expenditure for this purpose up to a total amount of £150,000 is authorized by a section in the Imprest Supply Act, 1927. It is intended to pay these subsidies out of last year's surplus, part of which was carried forward expressly for the purpose of meeting such contingencies.

**Subsidies on voluntary contributions.**

In addition to these measures, the Government have also undertaken to subsidize on a pound-for-pound basis all voluntary contributions for relief of the unemployed, provided the money is expended on works which are approved and duly carried out in accordance with conditions laid down by the Public Works Department.

## RECOMMENDATIONS OF TAXATION COMMISSIONS.

**Recommendations of Taxation Commissions.**

In view of the discussions in the press from time to time, I would like to review the recommendations concerning land and income tax, which were considered by a Committee in 1922, and again by a Royal Commission in 1924. Although it is often stated that the reports of these Commissions have not been considered or dealt with by the Government, an examination of the statute-books will show that most of their recommendations have been adopted. For instance, the 1922 Committee recommended that the maximum rate of income-tax should not exceed 5s. in the pound. In 1922 the maximum income-tax was 7s. 4d. in the pound. It has since been reduced to 4s. 6d. in the pound. They recommended that provision be made for the carrying-forward of losses and the setting-off of loss in one business

**Recommendations of 1922 Committee.**