

- (c) The cost of constructional work per man-year unit (as well as per unit of construction) has been increasing over a period of some years, and money is not therefore so direct a measure of activity as is provided by the number of man-years (except when working-hours are radically altered, as occurred during the war).

At the same time it is necessary for budgeting and similar purposes to convert the various sections of the programme into terms of money. This has accordingly been done.

(2) *Overall Allocation between Government, Local Authority, and Private Expenditure*

Trial plans for the overall allocation of resources as between the above three major fields of employment have been made, and these have been weighed up in the light of the present circumstances and with the following economic principles in mind:—

- (a) Relative necessity and merit of different classes of work:
- (b) Need to ensure long-term stability to the building and constructional industries as a whole:
- (c) Need for Government to offset variations in private constructional activity:
- (d) Need to secure balance between savings throughout the community and the level of investments:
- (e) Other considerations: Questions of supply, resource development, geographical pattern or location of the work, decentralization of industry, and day-to-day co-ordination of works with local employment problems.

As mentioned earlier, these matters are now receiving consideration, and it would be premature to discuss them more fully at the present stage.

(3) *Allocation of Government Expenditure*

The overall volume of Government expenditure for the year being determined, the next step in the whole process is to break this down by a double system of subdivision—(a) into quotas of expenditure available for each main class of work (*i.e.*, irrigation, soil conservation, highways, &c.), and (b) into allocations for each main district, and each region within each district.

In arriving at quotas for each main *class* of work, account has had to be taken principally of (i) the priority factor (which is based on questions of urgency, productivity, &c.), (ii) the problems associated with material supplies and plant-capacity of the particular type concerned, the existence of plans, &c., and (iii) the inevitability of providing a certain continuity from the present position and some measure of gradualness in making changes in the overall distribution of resources.

Under a system of overall control through the Ministry of Works these quotas must be linked up with the estimates for public works and capital expenditure of the various Departments, so that what is estimated and planned in the Ministry of Works, and approved by Government in the form of a single overall policy, shall in fact guide the policies of all Departments in this particular respect.

The current two years may be regarded in this respect as trial years. The programme is being compiled and quotas allocated for the first time this year, and the technical problems involved are being worked out between the Treasury, the Ministry of Works, and the various Departments involved.