

The results of the review are incorporated in a separate report to you, but some points are of general interest. The estimates of man-power available to the construction industry and made some twelve months ago have proved unduly optimistic. In actual fact, the labour force now available to the construction industry, on a basis proportionate to population, is lower than it has been at any other time during this century. In normal times approximately $7\frac{1}{2}$ per cent. of the employed population is engaged in the construction industry. The census figures for 1945 reveal that 700,000 persons were employed, which, on the basis of $7\frac{1}{2}$ per cent., would mean that 52,500 employees should now be employed in the industry, whereas indications are that only 36,000 can safely be assumed to be available this year. In 1939, when 670,000 people were fully employed, 47,000 were available to the construction industry, of which 28,500 were employed on Government and State-subsidized works and 18,500 on work carried out for private enterprise. These figures compare with 18,000 in each of the corresponding fields for 1947–48, making up a total of 36,000 referred to. Thus the reduction in man-power available to the construction industry is entirely within the field of Government and local-authority works, which indicates that some 10,000 workers have been attracted to other industries or occupations or are not otherwise available. Some small addition to the total available number may be taken into account in respect of seasonal workers, farm hands, Native, and other types of labour employed on an intermittent basis and not accounted for by the National Employment Service figures.

The material resources are probably lower in relation to demand than they have been during the past quarter century. Stocks have long been exhausted by wartime construction, and those industries, both within the Dominion and overseas, which supply materials, plant, and tools for works are still functioning under serious difficulties, the cumulative effect of which is still to keep supplies at an inadequate level. Whilst to-day the most critical limitation is material, it would seem that a relatively small improvement in this field would make labour, particularly skilled labour, the critical factor.

The main purpose of the review was to prepare a programme of State and State-subsidized works related to man-power and material available. The levels of this programme have been fixed after making allowance for meeting a reasonable proportion of competing demands of similar priority which may be expected from local authorities on account of their own works and by private enterprise. The draft programme for Government works has been prepared after careful pruning, with the fullest co-operation from all the Departments concerned, and it sets their allocations well below those which they claim as indispensable to meet their most modest needs. The Government programme, the full details of which have been separately submitted to you, can therefore be looked upon as realistic, in view of the existing conditions. In fact, it provides for expenditure by the State, both directly or by way of subsidy, of a total of £24.98 millions after making allowance in the field of private enterprise and unsubsidized local-body works of £20.4 millions. In pre-war years expenditure by the State usually approximated 60 per cent. of the total, but, due to reduced man-power, the State's programme for this