

thing like £35 off the principal in two years, the Government would run no great risk in proceeding with a large building programme at the present high prices, even if the cost of building should drop considerably during that period.

It may be interesting to mention that although local authorities throughout the Dominion have expected to make arrangements, under the powers given them by the Housing Act of last year, for the erection of a considerable number of houses, they have not been able to make much progress. For example, the Wellington City Council is building seven, of which two have just been completed, costing about £1,100 for four rooms and £1,300 for five rooms, while we are limited to £775 for houses of similar construction and number of rooms. I am also informed that the Auckland City Council has plans prepared for ten houses, but a report of a few days ago states that progress for even that small number is almost impossible owing to the lack of materials and labour. It might be mentioned, too, that on the representations of the Wellington Harbour Board statutory power was given in the Housing Act to Harbour Boards to proceed with dwellings for their employees, but none of them has apparently been able to take advantage of the provision.

In endeavouring to build houses for our applicants we are in the somewhat difficult position of trying to build new dwellings of modern design and construction at a time when the cost of building is abnormally high, for the very people that can least afford to pay for them, our applicants being limited to those whose incomes do not exceed a certain amount. Private enterprise as well as local bodies, on the other hand, are not restricted as to amount, and, whatever the cost of the erection of houses, are no doubt able to find a ready-enough sale, the houses being available to people that can afford to pay. The building of dwellings in this way will, of course, help indirectly in overcoming the general housing shortage throughout the Dominion, as the houses thus vacated will then be available for those persons with the smaller incomes.

We have until recently experienced the greatest difficulty in arranging for contracts and proceeding with the work of erection. Until two or three years ago we had generally been able to let contracts for the erection of dwellings (complete) to builders who would undertake the whole of the work. When we called for tenders towards the end of last year for the first 200 in various towns each builder was invited to tender for wood, brick, or concrete, as he might choose, and either on the Department's plan and specification or by submitting his own plan and specification. Yet only two small tenders were received for complete dwellings at a reasonable price. These were, of course, proceeded with—namely, twelve in Auckland and four in Nelson. Subsequently we succeeded in obtaining tenders at a fairly reasonable price for the erection of the concrete portion only of a number, leaving the balance of the work to be carried out by small contracts (joinery, plumbing, and so on) or by day labour, the Department purchasing materials where necessary. Altogether 155 dwellings are being proceeded with in this way. Much difficulty was experienced in arranging for even these, as in some cases it necessitated sending officers to the towns concerned to approach likely builders and ask them to submit prices. In many instances only one tender could then be obtained, so that there was no competition between the builders. We have been compelled to enter into these contracts (at some risk), as the only alternative would have been to proceed with no dwellings at all. In one case—viz., sixty-six of the concrete dwellings at Miramar, Wellington—the work has not proceeded satisfactorily, and it has been necessary to take over portion of the contract. Out of the sixty-six houses thirty-six should have been handed over before this date. A few builders have offered to build on a 10-per-cent. basis, but it has been impossible to accept on account of our statutory maximum cost necessitating our knowing beforehand at least approximately what the cost would be. A few others have recently tendered at a price subject to fluctuations in the cost of materials and labour, and where the figure has been reasonable we have accepted these, taking the risk of the ultimate cost exceeding our maximum. Considerable care is, of course, needed in these cases to see that we are not charged with more than the actual increases in the cost that may take place, and this requires a close checking of accounts. A further difficulty has occurred in many instances, in that when it is found (as has been usual) that the lowest tender is considerably above the statutory maximum, it is necessary to visit the builder and to endeavour to arrange with him for cutting out or reducing some of the least essential items in the specifications.

In several cases it has been found necessary to assist contractors in obtaining materials by utilizing the resources of the Department throughout New Zealand in securing supplies of cement and timber; for example, timber has been obtained through the Department's representatives at Westport, Greymouth, and Auckland; cement through other agents of the Department, together with the Board of Trade, and so on.

A suggestion has also been put forward that our dwellings should be erected by day labour, but the experience of the past does not lead to the conclusion that dwellings will be erected more cheaply in this way. It has been decided, however, to try the experiment on a number of dwellings in Wellington, and a comparison will then be afforded between the contract and day-labour methods.

The question of assisting applicants who are tradesmen to build for themselves has also been considered, and arrangements have been made for several such workers to erect their own dwellings by letting small contracts to them or contracts for labour only. A case in Wellington is typical of others: the applicant, who is a tradesman, is erecting a dwelling for himself on a section found by the Board, the total cost to the Government not to exceed the maximum allowed by the Act. He receives the usual wages, which are deducted from the progress-payments as they become due.

Many suggestions have been made and much criticism has been received regarding the best methods employed and to be used in the erection of dwellings, and earnest consideration has been given to all of them. It is very evident, however, that all skilled labour in the building trade has so far been fully employed very largely on other work than dwellinghouses, and that there are many buildings in the course of erection that could, without much inconvenience, stand over in view of the shortage of dwellings. The recent decision of the Government to restrict non-essential building will no doubt free a considerable number of these workers for employment on dwellinghouses, and at the same time a large amount of building-materials should be made available for the same purpose.