

Expenditure.

The expenditure by the Government on relief works (including subsidies paid to local bodies) from 24th May, 1926, to 31st October, 1928, amounted to £1,040,184. The separate expenditure during each year was as follows:—

24th May, 1926, to 31st March, 1927 (Government works)	£	£
1st April, 1927, to 31st March, 1928—	..	130,000
Government works	397,565	
Subsidies to local bodies	75,106	
		472,671
1st April, 1928, to 31st October, 1928—		
Government works	413,513	
Subsidies to local bodies	24,000	
		437,513
Total	£1,040,184	

Subsidies to Local Bodies.

Local authorities were authorized by the Local Bodies Empowering (Relief of Unemployment) Act, 1926, to borrow money for relief works until 30th June, 1927, without taking a poll of the ratepayers as provided in the Local Bodies' Loans Act. As unemployment was acute in 1927, and it was understood that local bodies were willing to assist by undertaking relief works in their districts, the provisions of the Local Bodies Empowering (Relief of Unemployment) Act, 1926, were extended for another year, and again during last session.

Provision was also made in the Imprest Supply Act (No. 1), 1927, for granting subsidies not exceeding £150,000 in all to local bodies in connection with relief works; and this was increased to £300,000 by Parliament last session in the Local Bodies Empowering (Relief of Unemployment) Amendment Act, 1928.

The attached copy of a statement dated 27th July, 1928 (marked "A") outlines the conditions on which Government subsidies are granted. The bases of these subsidies are—

- (1) *Works undertaken from public subscriptions*: A full pound-for-pound subsidy on materials and wages without any limitation on the rates of wages paid by the local body.
- (2) *Works undertaken from revenue or with loan-moneys*: Subsidy of 50 per cent. of labour only, based on relief rates of pay.

Since the Local Bodies Empowering (Relief of Unemployment) Amendment Act, 1927, and Imprest Supply Act (No. 1), 1927, were passed 47 applications by local bodies to raise loans totalling £211,999 have been sanctioned by the Local Government Loans Board. Thirty-one of these, amounting to £134,466, were approved last year, and the other 16, amounting to £77,533, have been sanctioned since 1st April last. (For details see statement "C" attached.)

Subsidies totalling £173,921 have been promised to 85 local bodies. Of this amount £113,031 was promised last year, and £60,890 since 1st April of this year. (For details see statement "B" attached.)

Earnings of Men on Relief Works.

When relief works were first started the rates of pay for married men were fixed at 14s. per day and single men at 10s. After the first year, however, it was found that men were not leaving relief works to seek other employment, and, moreover, as unemployment was acute and the Government was likely to be involved in a very considerable expenditure, the wages of married men were reduced to 12s. per day and single men to 9s. The rates of men who were already employed on relief works were not, however, reduced.

The average earnings of married men on all Government relief works during the three months ended 31st July, 1928, were 12s. 7d. per day of eight hours, while the average earnings of single men were 10s. 1½d. per day. These figures show that the unit prices of co-operative contracts have on the whole been correctly assessed.