

Contract System.

On the psychological and more material public grounds already mentioned, the Board has encouraged the extended application of the contract method of earning relief. Under the usual system an arbitrary *period* of work is required to be performed in return for a specified measure of relief. The contract method is to nominate only the *task* to be done before payment is made. The worker may accordingly earn the relief in a length of time which is governed by his ability and industry. For instance, the maximum measure of relief available under a certain scale to a married man with two children is represented by $3\frac{1}{2}$ days' work per week, for which he may receive £1 15s. For a four-weekly period this amounts to fourteen days' work for £7. If the work is allotted in the form of a fair contract which would permit an average worker to perform it in that period, it is yet capable of being completed by an industrious worker in, say, ten days; or, on the other hand, an indifferent worker may take sixteen days. In any case, the relief for the period is earned on the completion of the allotted task, but only then. Its payment is still spread over the whole month.

Excellent results have attended the introduction of this contract principle in places where it has been tried. Its desirable feature is that it places a premium on industry, and, to the conscientious worker, permits some degree of personal incentive. It has less appeal to other types of worker. The method is more easily applied to relief works under County Councils in rural areas. Although at first sight it would appear to increase supervision costs, the reverse is actually the case. Some extra attention is involved by the controlling authority in measuring up the work into contract units; but as the worker is paid by results alone supervision may be relaxed practically until the final inspection of the completed task. The Board urges earnest consideration of the method upon employing authorities.

Valuation of Relief Work.

With the performance of relief work of definite economic value as a basic desideratum it is a corollary that, if such work does not in fact exist in sufficient extent where recipients of relief are normally domiciled, relief labour must be transferred to the localities where the work does lie. It follows, also, that applicants for relief benefits who decline to go to such work, wherever it may be found for them, automatically prejudice their claim on the funds subscribed by their fellow-citizens. Such funds are designed to relieve involuntary dependence on relief. When the offered benefits of the Fund are without reasonable excuse declined by applicants their condition of dependence becomes voluntary. If, notwithstanding this, relief is again proffered to applicants wherever they choose to remain domiciled it cannot reasonably be expected to be in the same measure as that granted to those performing useful work in return for relief. This differentiation is immutably imposed by natural economic law. Useful service augments national earning-power, and work which fails the test of usefulness lacks the claim of comparative merit. It must be paid for either as a luxury at the rate justly applying to useful works or at the lower price appropriate to its lesser national value. It can be accepted that the country cannot afford luxuries at this stage. This assessment of values places a premium on valuable and justifiable work, which, in turn, creates new assets to replenish the resources that are being drawn upon for the maintenance of unemployed.

Proceeding from the broad basis of the foregoing, consideration is called to the question of increasing divergence from Scheme 5, with the view of its ultimate abandonment. The stage is now reached at which much of the work performed under that scheme in cities and towns does not stand the test of usefulness; and there are plain signs of growing reliance on the scheme as a permanent source of regular quotas of work, a condition tending to produce psychological and moral effects inimical to good citizenship.

From a purely financial point of view, also, the situation in respect of urban centres invites close thought. The largest aggregations of unemployed are at these points. Living-costs are higher there, even if all but absolute necessities of life are disregarded. Fuel, shelter, meat and other foodstuffs cannot be obtained by urban dwellers without money. In rural areas they are available frequently without cost, but in any case at very much less cost. This consideration impelled the introduction of what is generally referred to as the "city scale" of relief, mentioned in the section dealing with Scheme 5. *The position now existing in urban areas, in comparison with rural districts, is that the Unemployment Fund is providing a higher scale of relief for less useful work.*

This inherently undesirable state of affairs is aggravated by apprehensions expressed by principal urban civic authorities of their approaching inability to continue providing any relief works for the absorption of their unemployed citizens.

Consideration of the future, therefore, leaves no room for doubt that if the support of these large numbers of unemployed urban dwellers is to become the concern of the Unemployment Board alone, it can discharge the responsibility only by the full application of its policy of diverting surplus labour to reproductive work. Circumstances governing the whole situation would render a trend towards depopulation of urban centres, to the extent of the surplus population denoted in unemployment registers, a natural consequence. On the other hand, such a movement, which would incidentally tend to correct the "drift to the towns," must immediately benefit the country generally and give large numbers of wage-earners whose accustomed employment has ceased, an opportunity of establishing themselves and their families in rural occupations with greater prospect of independence.

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