

all at once or in lots, according to circumstances, and, with the assistance of the Resident Engineer, arrange themselves into parties. Each party elects its head men, and all the members of the party sign a printed order, authorising the "head men" to receive payment on their behalf. All the members of the party also sign a set of specifications and conditions and schedule of prices, the prices having previously been fixed by the Resident Engineer with the approval of the Engineer-in-Chief.

These prices are fixed on the following basis:—

1. What it would cost to do the work at per day's wage current in the locality for a similar class of work. 2. To this is added a percentage of profits which a contractor would require. The earnings of the men, with all first-class men in a party, should therefore be 10 per cent. higher than the current rate of wages for similar work; and when the men engaged are under the first-class standard the earnings are correspondingly smaller.

Each party has a section of the line assigned to it, and is paid for the work done at the said previously-fixed schedule rates, there being no lump contract sum, and the right being reserved to the Government to stop the works at any time. The selection of workmen is made through the Government Labour Bureau.

When a portion of railway or other work is to be put in hand, the Bureau is advised by the Constructing Department of the nature of the work, and the number of men required; the Bureau then takes the responsibility of providing the men, and sending them on to the ground, preference being given to married men out of employment where the work is situated, and preference is also given to married men on Labour Bureau list.

When the Bureau pays the railway fares of men, the Secretary sends orders for same to the Public Works Department, and the amounts are deducted from the men's earnings.

The parties are supplied by Government with tents and tools, and the cost of the tools is deducted from their earnings, the tents remaining the property of the Government. The heavier and expensive plant is also found by the Government, and a percentage for the use of same by the workmen is deducted in fixing the cost price of the work.

The system originally adopted, more especially with reference to railway formation (earth-works), has since been applied also to the laying of the permanent-way, and the construction of roads. More recently it has also been extended to the erection of buildings, and in all cases the results have been satisfactory. The materials for the buildings are provided by the Government, and the work of erection is carried out at prices fixed by the Government Engineer.

Enclosed are copies of the Public Works Statements for 1891 and 1892, with passages in reference to the co-operative works marked, also a copy each of the standard specification and conditions used by the Public Works and Mines Departments in carrying out the system.

In reporting on the progress of the works each month, the Resident Engineer sends in a statement showing the number of men employed, wages earned, &c. A copy of the form of this return (filled in as an example) is also enclosed. These returns show the number of hours and days on which each man worked, and from this is worked out the average wage earned by the party per hour per actual day worked, and per ideal day of eight hours.

The cost of materials, hire of horses, &c., incurred by the party for carrying on their work is deducted from the gross earnings, and the net earnings are shown.

For some of the data of this return—as for example, the number of hours and days worked by each man—the Government overseers have to depend mainly upon information furnished by the head men of the parties, which they (the overseers) check as best they can. So far, however, there is no reason to believe that the information thus obtained is not reliable enough for the purpose for which it is wanted.

The average number of men employed by the Government under this system, on railway- and road-works, during the past year, has been about 1,900.

R. J. SEDDON.

### Enclosure B.

#### EXTRACT FROM PUBLIC WORKS STATEMENT, 1891.

"Contemporaneously with the question of sub-contracting, I also took into consideration the question of the necessity of inaugurating a new system in connection with the construction of our public works—a system which, in the near future, must, I think, obtain throughout. I allude to the system of constructing works on the co-operative principle—that is, giving the work direct to the workmen, and dispensing with middlemen altogether. An opportunity for introducing the system occurred in connection with the construction of certain sections of the Ngakawau Railway extension to Mokihinui. Public tenders had been invited for certain sections of this railway, the conditions being of the most liberal character: no deposit was required, and the work was cut up into short lengths. Almost immediately the tenders were accepted for some of the sections the contracts were thrown up; and it became a choice, therefore, between calling for fresh tenders on the original method and giving the co-operative principle a trial. On arriving in Westport I found a large number of men who had flocked there from different parts of the colony, expecting to get employment on the construction of this railway. To avoid the delay that calling for fresh tenders would have involved, I decided to let the sections referred to—three in number—on the co-operative principle, and asked the men to divide themselves into parties of about fifty each, and to select from each party certain trustees, the trustees to take the work from the Government in the ordinary way, but the work itself to be done by the whole of the men, each one having equal interests with his fellows; the price to be given to be fixed by the Engineer in charge of the work. On this the men went to work in a few days. They have now almost completed their contracts, and are very well satisfied with the result. As often occurs when new methods are adopted, there was a little friction at first, and a little difficulty in the classification of the men; the strong and able-bodied men did not altogether like to work for the aged and the feeble: but, after classifying both