

at any time without payment of compensation. Under the contract system, works cannot be stopped when once the liability has been incurred without heavy compensation having to be paid to the contractor. The state of the labour-market can also be studied, and a very much better attempt made to equalise supply and demand than under the contract system, as, when once a contract has been signed, binding a contractor to complete works within a definite period, they must be continuously pushed on with, even when labour is very scarce and in great demand for other purposes.

“The contention that, when a large amount of labour is unemployed, pressure which is well nigh irresistible would be brought to bear on the Government to find employment, has been proved to be altogether erroneous, as is evidenced by the large reductions in the number of men employed on the Government co-operative works during the last few months.

“A matter now requiring consideration is the application of the system of co-operation to large works requiring skilled labour. Ordinary railway culverts of brick- and stone-work, and some small bridges, have already been successfully attempted.

“A question at the present time is whether the laying of the permanent-way could not also be advantageously undertaken on the same principle. This matter I am now going carefully into. I have already let one experimental contract of two miles in length, and am awaiting the result. If satisfactory, an attempt will be made to apply the system to the laying of the permanent-way on the different railway-works now in course of construction. On several of our lines we have a large amount of formation-work done; and it is necessary, in order to give the districts in which the railways are situated the full advantage of their construction, and also with a view of obtaining returns on the expenditure that has been incurred, that the work of laying the permanent-way should now be gone on with; and, with that object in view, I am having reports made by the engineers in charge of the several districts as to how far the work can be done under the co-operative system. There may be some places where it can be done to advantage, while in others it could not be done advantageously and with due regard to economy. It is my fixed intention to adhere to the principle laid down at the commencement, that the work should not cost more than if it were done under the contract system.”

Enclosure D.

STANDARD SPECIFICATION AND CONDITIONS OF THE PUBLIC WORKS DEPARTMENT.

Enclosure E.

STANDARD SPECIFICATION AND CONDITIONS OF THE MINES DEPARTMENT.

Enclosure F.

FORM OF MONTHLY RETURN OF MEN, WAGES EARNED, ETC. (filled in as a Sample).

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