

for the current year. The Government has not been able to see its way to grant the whole of this amount, but has decided to ask for a vote for £18,978, and provision for this has been made in the estimates accordingly.

THE CO-OPERATIVE SYSTEM.

The co-operative system has been extended during the past year to such an extent that the greater part of the work now in hand under the department is being carried out under this system. In addition to ordinary formation-works, and the construction of small bridges and culverts, it has now been applied to the work of laying the permanent-way and erecting station-buildings. The whole of the platelaying and ballasting of the Greymouth-Hokitika Railway has been done in this way, as well as the erection of the new railway-station at Te Aro, Wellington. The work has continued to be very well done, the Te Aro station-building being an especially creditable piece of work. The cost has been satisfactory to the department, and has given fair wages to the co-operative workmen. The painting of the Supreme Court and Police-station in Wellington, also done under the co-operative system, was likewise most creditably executed, and its cost was exceedingly moderate. It was, indeed, only 1s. 4d. per square yard, inclusive of all materials, plant, &c.; whereas the rate per yard asked for the work by the lowest tenderer, when tenders for the same were publicly invited some time ago, was 2s. 3d. per yard. Interesting details are given in the report of the Engineer-in-Chief (Appendix F) as to the particular works that have been carried out under the co-operative system, their cost, and the wages earned by the men.

It has been stated in some quarters that the workmen have been earning excessive wages, and that the rates allowed for work have been raised to meet the demands of the men. The persons responsible for such statements forget that in the past it has always been alleged that the Government Engineer's estimates of the value of the work were too low. Indeed, complaints of this kind from contractors have been general. Now, the same Engineers who prepared the estimates for work when done by contractors assess the value of the work for the co-operative workmen, and their estimates are all subject to the approval of the Engineer-in-Chief. This should be conclusive evidence of the fairness of the rates allowed.

In one or two instances the workmen have made presentations to engineers on their being transferred to other districts, but in future no such presentations will be allowed.

Reports have reached the Government that in some cases the co-operative workmen have expended their earnings, or a portion of them, at any rate, in an injudicious manner. The Government has therefore under consideration the establishment of some form of provident and benefit society in the interests of the workmen generally. It is believed that improvidence prevails only amongst a very limited number of the men, as the department takes every care to see that the married men (and most of the men employed are married) make regular remittances to their families. Special facilities are placed at the disposal of the men to do so when they are paid at places where no money-order and savings-bank offices are situated. The question of allowing the men to authorise their wives to draw a portion of the money due to them at the head office, on orders signed by the men and certified to by the officer in charge, is also under consideration, and an effort will shortly be made to bring this system into operation. It would also, perhaps, be advisable to establish a scheme by which the men could put by a portion of their earnings with a view to taking up land in the neighbourhood of the works, and of becoming permanent settlers on their completion.

RAILWAYS UNDER CONSTRUCTION.

I will now refer to the several railway-works that have been under construction during the year, beginning with those in the far north.