

the colony These prognostications have been proved to be entirely fallacious, and a complete change of front has taken place. It is now asserted that the amounts paid are too low, and that the men have not been able to make the same wage as would have been paid under the contract system. It may, therefore, be fairly assumed that as between the two a happy medium has been struck, that the works have been constructed at a fair market value, and that the men employed have received a fair wage. Though the average may appear less than that which would have been obtained under the contract system, yet it must be borne in mind that the workmen employed by the contractors would be all first-class men. Under the co-operative system a large percentage of the men employed have never previously done any navvying work, many of them being skilled artisans unaccustomed to labouring work. In most instances where first-class skilled workmen have been employed the wage earned has been fully equal to that paid for similar labour by private employers.

The class of work done has, on the whole, been very good, and has been equal, if not superior, to that previously performed under the contract system. During the winter months, owing to the dearth of private employment, it was necessary, in order to meet the most necessitous cases, to considerably increase the number of men employed. But, as the summer advances and the demand for labour by private employers increases, so, correspondingly, will the number of men employed on Government works be reduced.

The extension of the co-operative system to the erection of public buildings has proved satisfactory, and, comparing the class of work done with that previously performed under the contract system, it is quite safe now to apply the co-operative system to buildings of all kinds, whether in wood, brick, or stone. This being the case, it has been decided to re-erect the Auxiliary Asylum at Auckland in brick under this system, thus avoiding a repetition of what has occurred in respect to a similar class of building at Porirua, and which was built under the much-vaunted contract-system. The cost of re-erecting the building will be about £12,000.

It has, further, been decided to adopt the alternative system in connection with our co-operative works, with a view of facilitating the means whereby co-operative workmen may become permanent settlers. We have decided, wherever land is available for settlement within a reasonable distance of co-operative works, and is taken up by our workmen, that married men are to have four days' co-operative work in each week, the other two days to be spent in improving their holdings, and that single men are to be employed three days on co-operative works, and three days on their sections. This will have the effect for the time being of reducing the expenditure in connection with public works, and, at the conclusion of the work, the men employed will, having become permanent settlers, be entirely independent of the State.

The men employed under the co-operative system during the last twelve months have been as follows:—

Month.	Public Works Department.	Lands Department.	Total.
September, 1894	821	1 125	1 946
October, "	781	1 181	1,962
November, "	748	1 178	1 926
December, "	866	1,222	2,088
January 1895	848	1,138	1,986
February, "	863	1,384	2,247
March, "	893	1 317	2,210
April, "	883	1 234	2 117
May, "	875	1,337	2,212
June, "	881	1,559	2,440
July, "	806	1,686	2,492
August, "	818	1 766	2,584
Average monthly number	840	1 344	2,184

As in previous years, the men have been employed on works of a varied character. Railway works of all classes have been done under this system, and included earth-work, bridges in stone, wood, and iron, culverts, stone- and wood;