

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 the men and the work, and giving the lighter work to the aged and less capable men, and the heavier work to those best fitted for it, the earnings, as a whole, proved satisfactory, and the men are quite prepared to go to work again on the same principle if further work was available.

The experience gained in this instance has indicated the course which it will be advisable to adopt in the future. It should be arranged—(1) That the men form themselves into parties voluntarily; (2) in case there are more men than work can be found for, the men of equal capabilities should ballot amongst themselves as to who is to get the work; and (3) that a classification of the men be arranged beforehand, so that the abler and stronger men, and those accustomed to the work, might receive the largest share of the profits, the next or second-class a slightly lower rate, and older and weaker men a somewhat lower rate again. By so doing, the feeling of a man working for his fellows would be avoided, also the feeling on the part of others that they were dependent on their fellows. With a suitable classification on the lines that I have indicated, the system would, I am satisfied, work on the whole admirably.

Considering that the system is only now being tried for the first time in connection with our public works in New Zealand, it must be conceded that it has proved fairly successful; and, as we gain further practical experience with its working, I have no hesitation whatever in saying that it will ere long be recognised as the proper system on which our public works should be constructed.

The colony in the past has not received the benefit that it should have received from the public-works expenditure. We have had contractors who have made large fortunes and who have taken the money so quickly and easily made and spent it in the Mother-country or in the other colonies. Again, we have had large sums of money expended in the different districts, yet the districts have not profited by the expenditure. We have had large estates made valuable by the construction of works, and yet we have not increased the settlement on the land. Had the system of co-operation obtained in years gone by,—had lands adjoining the works been thrown open for settlement as the works progressed,—had those employed shared in the profits in addition to their wages, which is the principle of the co-operative system—then, as they shared their profits, so they would have taken up the lands and settled thereon. It is necessary that a remedy should be devised for the mistakes of the past, and that remedy is the construction of works on the co-operative system, and the simultaneous throwing-open of lands for settlement in the vicinity of the works. The work will not cost the colony any more, and a large portion of the money expended on the same will come back to the Treasury in the shape of payments made for the purchase or rent of lands.

Another advantage to each district will also ensue. In calling for tenders for works on a large scale it has often occurred that in the locality in which the work is situated there has been a large amount of labour available, but the con-