

There is little or no evidence that there has been direct interference by individual members of the Board in the employment of labour, but the minutes of the Board show that in many cases the Engineer was instructed to find employment for certain applicants.

The evidence of the various foremen shows that they had not a free hand in obtaining suitable labour or in discharging men whom they found to be unsuitable, and from the large number of elderly and inefficient men employed by the Board it is clear that the management of the Board has been detrimental to economy of work.

In some cases the rates of wages were higher than those paid in the district for similar classes of work.

In connection with the assignment of wages, the Board has accepted from the workmen receipts in full, instead of paying to the assignees the amounts of their respective orders, and the irregularity has been further encouraged by accepting orders for deductions upon wages as yet unearned.

We found that one of the quarry foremen was also the proprietor of one of the two licensed hotels at Cape Foulwind.

CONTRACTS FOR SUPPLIES.

64. At the beginning of 1912 the Board, after competition by public tender, let a contract to Martin and Co. for the supply of iron and steel at £11 9s. 3d. per ton. The contractors applied to the Board to have the rate increased by the amount of £2 per ton, upon the ground that the market rate for this material had risen. The Finance Committee of the Board recommended that this application should be granted, and the Board adopted that recommendation, but stipulated that if the price should again fall during the currency of the contract a corresponding reduction in price should be made. The members of the Finance Committee were on this occasion Messrs. Griffiths, Scanlon, and Hansen, and the Board's resolution adopting the proposal was seconded by Mr. Scanlan. The Secretary stated in evidence that similar alterations in contracts had been previously made. A few months later, when application was made by a Wellington firm to be paid the sum of 13s. duty on timber supplied which by an oversight had been omitted from their contract price, the Board declined to make the allowance, and decided that the contract be adhered to, on the motion of Mr. Hansen, seconded by Mr. Scanlon. Mr. J. Scanlon, the member of the Board, is a brother of a member of the firm of George Martin and Co.

Although the works of the Board have been made more costly through delay in the supply of ironbark and other materials under contract, the Board have not taken proper steps to have the contracts enforced.

METHODS OF CONDUCTING BUSINESS

65. The meetings of the Finance Committee have not been held regularly or systematically. The business was not properly recorded by minute. The financial condition of the Board was not ascertained by such Committee, and, as a rule, their business was restricted to the examination of such accounts as were submitted to them for approval, and this work was done by individual members of the Committee independently and not conjointly.

No agenda paper was presented to the Board showing the business to be transacted, and only such correspondence as the Chairman approved or selected was brought under their notice. The reports of the Engineer and others were adopted by the Board without reference by minutes to their contents, and without the adoption of any means of subsequent identification. For many years, but not lately, the schedule of accounts passed for payment by the Board were not totalled. Cases have been noticed in the minute-books where the schedules of payments have been added to and amended, showing a lax method.

The Board have not systematically exacted from their responsible officers sufficient information to enable them to keep an intelligent grasp of the con-