

people have to give a day and a half's work instead of a day, then it is profitable enough to pay for. If it is not, then there will be little overtime-work done, and the hands will get at least some time for themselves. I would suggest that all overtime be paid for at the rate of time and a half, with a minimum of 6d. per hour. To prevent workers being taken off wages at night and put on to piece-work all overtime piece-work should be paid for at the rate of 50 per cent. added to the day log-prices. (12.) Section 8 of the amending Act of 1896 should be revoked. It permits the doors of factories to be locked during working-hours when not less than six persons are engaged. Both on account of the danger to the employes in case of fire and the increased difficulties of inspection this provision is mischievous. (13.) The Act should specify that the Inspector of Factories is the locally resident Inspector. (14.) That section which allows a bakehouse to be papered, instead of lime-washed, painted, or varnished, should be struck out. (15.) The Inspector should be allowed three months in which to lay information against the owner of an unregistered factory.

The accidents occurring in factories have been, in spite of the trade-pressure, few in number, and only half a dozen of these could be considered serious. The detailed account is contained in another part of this report. I am glad to say that employers have everywhere shown willingness to fence and guard their machinery when the Inspector has considered that it was dangerous, and employers have not stinted expense when life and limb of workers were in question.

THE WORKMEN'S COMPENSATION ACT.

I sincerely trust that a measure on the lines of that introduced last year may pass to the statute-book of the colony in the ensuing session of Parliament. I respectfully beg to express a hope that some of the sections of "The Government Accident Insurance Act, 1899," will not be made operative in connection with the Workmen's Compensation Act if it becomes law. My reason for this is that some of the evils which "The Wages Protection Act, 1899," was passed to defeat will be, in my opinion, perpetuated if the Government or any other insurance agent allows an employer to evade his personal liability for compensation to killed or injured workmen by paying a premium. Such insurance should only be effected among themselves by the employers in a district, as in Austria, or by the whole of the employers in a certain trade, as in Germany.

In my annual report for 1897 I gave in detail the account of the method successfully used on the Continent of Europe for the insurance of employers by themselves collectively against claims for compensation for accident. It is only by some similar system in which there is a common interest among insurers to see that no single member of their league invites loss for the whole by careless and criminal exposure of his workmen to dangerous conditions that safety is to be found. No coal-mining company, for instance, would without protest permit the use of obsolete and dangerous machinery by another coal-mining company if the former had to share heavy calls for compensation induced by the latter's criminal economy or callousness. It is only by making the interest of all employers in a trade or district the interest of each that accidents will be kept down and the life and limb of a worker efficiently guarded.

The worst part of the old system of accident insurance was that money was extracted from workers as premiums in order to set the employer free from liability if the worker was killed or maimed. The new proposal does not continue this wicked arrangement, but it will allow the employer, by paying a small premium, to go on using rotten scaffolding, burnt-out boilers, &c., knowing that if any accident happens it will be the Government Accident Insurance that will pay heavy compensation, and not he. Therefore, I beg earnest consideration of the subject, and some restrictive clause in the Workmen's Compensation Bill.

CONCILIATION AND ARBITRATION ACT.

This has been fully taken advantage of during the year, and some important decisions have been given by the Court of Arbitration. These are to be found in considerable detail in another part of this report. The Act still holds its high position in the estimation of the industrial classes, and nothing could dismay the workers of New Zealand so much as the possibility that they might ever revert to the old warfare of strike and lock-out.

Two of the disputes heard in the Arbitration Court have had unsatisfactory terminations, the result of one being disliked by the workers, the other by the employers. In one Mr. Justice Edwards considered that the Grocers' Assistants' Union and the Tram-drivers' Union were unable to bring cases into the Arbitration Court as their members were not industrial workers, apparently limiting the definition of an industrial worker to mean the producer of a manufactured article. This is held by those interested to be too narrow a reading of the Act, and if the literal interpretation of the statute bars all workers engaged in transit operations or in distribution (such as sailors, carters, railway employes, shop-assistants, tram-drivers, cabmen, &c.) there is grave necessity for amending it so that the spirit of the Act may have effect and allow large bodies of industrious men and women to come within the scope of this beneficent measure. The other cause of trouble was an application by the employers' side (Christchurch plumbers) to prevent an award being made in the Arbitration Court giving preference to trade-unionists over unorganized labour, and questioning the power of the President to make a preferential award. The prohibition was applied for to the Supreme Court, argued in that Court and given against the applicants, it being held by Mr. Justice Denniston that the President of the Arbitration Court had power to award preference. This judgment was disputed, the case brought before the Court of Appeal, and decided that the President had the power claimed. It is probable that Parliament will be asked to make the matter clear by stating in an amending Bill whether it is prepared to grant preference to unionists.

Opinions have been freely expressed in different parts of these Islands to the effect that there should be power given to the Court of Arbitration to extend the field of an award so as to make it include not only the whole of a local industrial district but the entire colony. This is a very important question, and one on either side of which much may be said. It may be a most desirable thing that prices in a trade should be uniform for, say, Auckland and Dunedin, as it