

spite of some disturbance of the economic centre by disquieting reports concerning the tariff to be applied by the Commonwealth of Australia, and the consequent restraints upon some branches of our Australian trade, openings in other directions appeared, and stimulated producers to renewed activities, the effects of which will probably make themselves apparent before another year has passed. Crossbred wool has fallen in the world's markets to such a low price that it was hardly worth the shearing, and thus our most-prized colonial product failed to keep its former high place in value on our outward returns. Wool has, however, just taken an upward start in the market, and the sheep-farmer will probably once more get an adequate reward for his enterprise and toil.

Artisans, mechanics, and all skilled workers have found their services in demand, and good earnings to be obtained for efficient service. The woollen-mills at Mosgiel, Roslyn, Oamaru, Timaru, Kaiapoi, and Petone have all been taxed to the full extent of the energies of those employed, and two new mills—one at Milton, one at Napier—are ready to start into business at once to help to meet the demand for New Zealand tweeds and flannels. The mills have kept the large clothing-factories in full supply, whilst the departure of many troops to the front in South Africa has added to the pressure by orders for uniforms. The building-trades have seldom had so long a run of full time; carpenters, plumbers, bricklayers, painters, &c., have been in demand all over the colony. The engineering and iron trades have in some places been brisk, but generally have been slack, or, rather, slack as compared with two years ago, when the gold-dredging boom was clamouring for the foundries and workshops to carry on business day and night. The increased price of New Zealand hemp (phormium) has stimulated the flax industry, and the mills are kept busy. Much of this material is exported to America for use in harvesters as binder-twine. The furniture trades, saddlers, sailmakers, shirtmakers, jam-makers, hatters, ropemakers, &c., have all had a prosperous season.

Although the condition of the boot-manufacturer in factories is better as regards steadiness of work and wages than last year, there is still much grumbling in the trade. Some assert that machinery is driving the human worker from employment, others that importation of foreign (especially American) boots and shoes keeps the industry at low water. Employers hint at "limitation of output" on the part of the men, and say that the trade-unions, by forcing wages up beyond the margin of profit, drive the employers into importing stocks instead of manufacturing them locally. After inquiry and hearing evidence all over New Zealand, I am of opinion that there is not much reason for dissatisfaction on either side. For instance, the secretary of the Boot-makers' (workers) Union in Dunedin swore (before the Royal Commission from Victoria, April, 1902) that he knew of no unemployed bootmakers in that city, and that there were only four who had applied for permits to work below the minimum wage. That the trade has been adversely affected by machinery is probably true, but it is by machinery in America, not in New Zealand. In the United States so immense is the business and so large the requirement of boots and shoes for home consumption and export that the factories are highly specialised. Numerous factories are applied to the production of children's shoes alone; the energies and skill of hundreds of hands are devoted to making one class of tiny shoe, and the result is an almost fabulous output at a cost reduced to lowest scale. Other factories make men's strong boots, others men's light shoes, others ladies' shoes. Such establishments can compete at tremendous odds with New Zealand factories, which, having to make all classes of foot-wear—men's, women's, children's, light, heavy, &c.—are handicapped out of all equality. The Americans pour their surplus stocks upon the New Zealand market (in spite of the import duty) at a rate which at first provoked presages of disaster to our trade, and they win a way in our market as they have done in that of Great Britain. But already there is an improvement, and I am assured, on the evidence of an Auckland manufacturer, that a great many boots advertised as American are made in Auckland. The peculiar good points of the American boots were soon assimilated or copied. There is no need to despair of the boot trade in New Zealand in spite of the faint-hearted, for if importation has increased so also has the local output.

Unskilled labour has been well satisfied during the last year with its opportunities of employment. There were complaints of being short-handed in some of the rural districts during harvest-time, but the absence of thousands of our young men in South Africa has, of course, had an effect in this direction. The harvest was a fair one, and labour was needed as much as usual, but the heavy rains at an unfortunate time (while the crops were in stook) will probably take much of the farmer's profit from the yield. There have been large drainage and electric-tram works in progress in the cities during the year, and many hundreds of labourers have thus found well-paid employment in excavating, laying pipes, rails, &c.

The "unemployed" workman has not been a factor of unrest or anxiety during the last annual period. For some time now, some three or four years, the men who go on to Government work of any kind have had to register with this Department. It is this class which now forms the majority represented on the schedule below, and they have almost entirely superseded the real "unemployed" of 1891. The latter are now either in steady employment in towns or are prosperous country settlers; there is scarcely a name on the books of the Department which could be found there ten years ago. The accompanying table showing the exact number of men who have passed through the books of the Labour Department discloses the fact that since 1891 a comparatively steady decrease is to be found in the number of those provided with work under private employers, while at the same time those sent to Government work have not increased in any proportion. Since the Labour Department was instituted some 28,678 men, having 64,836 dependants—that is to say, about 93,514 persons in all—have been benefited by its action. This does not include the Women's Branch, which (at present only existent in Wellington) has provided employment for 1,844 women and girls.