

Section 31 of the new Act, prescribing a graduated scale of wages for persons under twenty years of age in factories, wants remodelling, and the intention of the Legislature requires to be more plainly expressed.

In my last report I spoke strongly against the growth of the overtime habit in business. It was not the wish of the Labour Department that any greater facilities for working overtime should be granted. Unfortunately, in the passage through Parliament last session of the Bill amending and consolidating the Factories Act, the rejection of a few words from the text of the Bill caused the overtime limits to be extended instead of constricted. Overtime work, however, has not increased during this last year at the same ratio that appeared in the report of 1901.

Payment for overtime when worked by men (as well as by women and young persons) was added to last year's Act. It appears difficult to check the overtime of men, as in country districts working-parties or local industries are sometimes separated by long distances from the Inspector's office. I strongly recommend that the system in force until the passing of the Act of last session should be reverted to so far as the overtime of women and young persons is concerned. It is absolutely necessary for the health and safety of the girls and boys that the Inspector should have some precedent right of interference to prevent overtime being worked at all by persons he considers weakly, or otherwise unfit to do more than eight hours' work. The present Act only prescribes that the occupier shall keep an overtime-book in which is recorded the hours of overtime that have been worked. A reversion to the former method of not allowing overtime for women and young persons unless the permit of the Inspector (naming each person so permitted to work) be hung up in the workroom would restore administration to the sound basis it occupied for several years. The overtime of pieceworkers is exceedingly difficult to check, and Inspectors can scarcely find time and opportunity to make sure that the scale is adhered to, and the extra rate added to log prices.

The provision in the Factories Act in force prior to 1901 allowed factories to keep the same half-holiday as the shops if the Town Board, Borough Council, or other local authority by special order notified to that effect. The Act of 1901 gave no permission of the kind, and the Saturday half-holiday is compulsory in factories. Such omission from the Act is productive of considerable annoyance in small towns, and I respectfully recommend the insertion of a clause in an amending Bill to restore the position formerly occupied.

SHOPS AND OFFICES.

The provisions of the Acts dealing with shops and offices have been well observed during the year. There have been few cases where the law has had to interfere in the interests of the public. I consider that much of the value of the half-holiday is lost to the shop-assistants, for whose benefit it was intended, by the absence in the Shops Act of a definite hour for closing. It is useless to give a half-holiday to shop-assistants if they have to work extra hours on other days to make up (sometimes more than make up) for the holiday time.

I have no remarks to make concerning late hours, overtime, &c., in offices. The action of a large body of clerks last year in petitioning Parliament not to interfere with their position in any way precludes the idea of improvement being either necessary or possible.

INDUSTRIAL CONCILIATION AND ARBITRATION.

The visit of the Royal Commission from Victoria (consisting of members of both Houses of the Legislature) to inquire into the working of the New Zealand labour laws afforded an opportunity of discovering the latest phases of opinion among employers and workmen on the subject. There was, almost without exception, approval on all sides of the principle of the Act and determination to retain it, but wide divergence of opinion existed as to details. It was suggested that the Conciliation Boards should be abolished; that the Arbitration Court should be swept away and larger powers given to Boards; that there should be two Arbitration Courts, one for each Island, &c. Some persons proposed as original amendments matters which are the law already, and others broached theoretical improvements which are at present outside the arena of practical economics. It may, however, be as well to take into consideration some of the statements made, and examine into their truth.

It was asserted that when the Court fixed a minimum wage in a trade, that wage tended to become an average wage, or even a maximum. This may be true of very small establishments, where a man (not of enterprising character) may say, "I have a certain amount to spend on wages every week: if the wages of my inferior workman have to be raised to a minimum, I will cut down the superior workman's pay so as to keep the old average." Such a system would scarcely be possible in a large business, or even in a go-ahead small one, for a capable workman knows his own value too well to work under such conditions, and if an employer wants to keep up with or to surpass his competitors he must get the most efficient hands he can find or pay for. It is true, however, that when a workman leaves his old employer and gets new work he often has to start on a minimum wage, but if he is a valuable man he does not long remain at that rate. There appears to be more reason in another contention—viz., that the minimum wage affects the poorer workers harshly. It is only human nature, as well as good business, to suppose that if one has to employ, say, a carpenter at 10s. a day whether he is quick or slow, good or bad, the best man will be engaged, and the slower or more stupid left out. In practice, however, it is found that the best men leave the minimum wage far behind, and there has been no proof presented that during the