Employers would not trouble themselves to consult the unious' employment-book, thus incurring a breach of the preference clause. Fines of £5 each were inflicted subsequently on employers for this offence, and, generally, the employers have had to suffer considerably for their laxity in observing the terms of the agreement. I hope to be able to report next year that matters are working more smoothly under this agreement. Other awards which used to provide a large number of breaches (such as the Bakers' and Drivers') are now being well observed.

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The Department has used every endeavour to make the awards known to the persons bound by their provisions. Free copies are posted to every party to an award immediately after publication in the *Labour Journal*, and there can now be no excuse as to ignorance of their provisions. I am pleased to report that this has resulted, especially in country districts, in fewer breaches being committed.

SHEARERS' ACCOMMODATION ACT.

A thorough inspection of the accommodation provided for shearers was made during the year, 730 sheds being visited. Of this number 686 are reported to be entirely satisfactory, and improvements are to be made in the remainder to bring them within the requirements of the Act. It is pleasing to report that every year there is an improvement made in the general accommodation, and, compared with the housing provided a few years ago, a vast difference is to be noted. As instructed by you, I will take such steps during the next season as will insure even more efficient inspection.

SERVANTS' REGISTRY OFFICES ACT.

This Act continues to work fairly well, and there were only two cases during the year taken before the Court. There is still some cause for complaint in the charging of fees by registry-office keepers. As the regulations stand at present the same fee is chargeable to the employee as to the employer, and in many cases the employee only is charged. It is suggested that the scale should be revised, providing for a lower fee for the employee and a slightly higher fee to the employer.

THE DEPARTMENT'S EXHIBIT, CHRISTCHURCH INTERNATIONAL EXHIBITION.

The Department's exhibit at the Christchurch International Exhibition was in every way a great success. An excellent site was secured near the Canadian Court, and the interest displayed in the exhibit was maintained throughout the whole time the Exhibition was opened. Under your instructions, a special publication dealing with the exhibit is being issued, so that the industrial charts and pictures may be put on permanent record. Reproductions of photographs shown in our court, illustrating the work of the Department under the Workers' Dwellings Act, Shearers' Accommodation Act, and in connection with the co-operative works, &c., will also be included. The models of the workers' dwellings proved of very great interest, and visitors were much impressed at the class of houses erected and let at an average rental of 10s. per week. The house built in the Exhibition grounds was also largely visited. This house was tastefully furnished, free of cost, by Messrs. White and Co., of Christchurch. The house is to be removed to the Sydenham Settlement.

In January an exhibit collected by the High Commissioner in London, popularly known as the "English Sweated Industries Exhibit," was added to our court, and shown until the close of the Exhibition. This exhibit drew immense crowds of people, and created a great amount of interest. A catalogue was issued in connection with the exhibit for free circulation to those interested. It gave details of the cost of making each article exhibited, the average hours worked per day, the process of manufacture, and, in some cases, special articles were quoted written by well-known writers in the industrial world familiar with the conditions under which some of the exhibits were made. In cases where similar garments and articles were made in New Zealand by local establishments, statistics were given as to the rates of wages paid, hours worked, &c. There is no doubt that this exhibit has proved a great object-lesson. Our legislation is aimed to protecting the factory system as against the "home work" system, under which there is no restriction on the sweating of workers, and, what is of even more importance, the most unhealthy conditions