

Under the powers given by the Acts of 1894 and 1896 the Board, in conjunction with Commissioners appointed under the Land Act, have arranged for an exchange of 29,880 acres of freehold land for 54,500 acres of Crown lands in the Marlborough District, in order to consolidate properties which had been acquired in freehold in scattered areas, and in this way 67,000 acres of land suitable for farms and small grazing-runs have been made available for disposal. Still further exchanges are necessary for consolidating the Crown lands and the freehold lands.

Efforts have been made to secure land suitable for workmen's homes in the neighbourhood of Auckland, Wellington, Christchurch, and Dunedin, but so far with little result, the owners of suitable land either refusing to sell or asking prices which were, in the opinion of the Land Purchase Board, higher than tenants could pay a rental of 5 per cent. upon.

The operation of the present statutes ceases on the 31st March, 1899; but, in view of the negotiations with the owners of large estates which are now under offer, it will be necessary either to amend the Act or to stop these negotiations.

The Act of last session had the effect of reducing speculative applications for these valuable lands, and careful investigation by the Land Boards of the applicants' means and experience have secured settlers of a suitable class.

DEPARTMENT OF LABOUR.

The returns from this department show that there has been a steady advance made by the industrial classes during the year. The applications for assistance by the unemployed have been less by 1,100 than during the previous year; while, compared with 1893, the number of applications show a falling-off of at least one-half. While this fact shows that there is more general employment throughout the colony for unskilled labour, the departmental returns dealing with the skilled trades are of a very encouraging nature. There is an increase of more than 4,500 persons working in factories this year as compared with last year, and an increase of 7,000 on the number registered in 1895. The Industrial Conciliation and Arbitration Act has met with general acceptance, and has been brought into continual use during the year, preventing many heartburnings and misunderstandings that might otherwise have led to strikes and industrial conflicts. I regret, however, to say that the decisions of the Conciliation Boards have not been accepted so generally as was expected, four cases out of five being carried to the Arbitration Court. Under these circumstances, it is worthy of consideration whether those invoking the aid of the Act should not be given the power of choice between the Board and the Court. If such a concession be granted, it will be necessary to have the law amended so as to enable the Board (under certain conditions), as well as the Court, to make its decision final and binding upon the appellants.

GOLD-MINING INDUSTRY.

Although there was somewhat of a falling-off in the quantity of gold exported during the year 1896-97 as compared with the returns for the previous year, yet there is good reason for hoping that the anticipations expressed in last year's Statement will ultimately be realised. Generally throughout the goldfields of the colony extensive development works have been entered upon for the further opening-up of claims, on the completion of which, combined with the introduction of improved machinery for crushing the ore, and better appliances for saving the gold and silver, it is expected that the returns hitherto obtained will be considerably increased. The greater attention also which has been directed to dredging operations, and the improvements in the dredges and machinery, will, I believe, tend to a large increase in the amount of gold to be obtained from our rivers and streams.

The contract for the erection of a pumping-plant at the Lower Thames, to which reference was made in the Statement of last year, has resulted in extensive works being entered upon, which are being proceeded with in a satisfactory manner.