It is difficult to say to what extent labels were ever used as the necessity for them would apparently act as sufficient deterrent to the practice of "letting out" in the textile trade. Moreover, with the more active organization of women into industrial unions and the consequent improvement of conditions inside the factories, the "sweating evil" tended to disappear. The regulation of wages and the pensioning of indigent workers were coming within the realms of practical politics, but the problem, as Mr. Tregear saw it, remained. Invalids must be permitted to work at home. Nor might married women be prevented, in justice, from supplementing the family income. But conditions must be regulated to ensure that employers were not faced with unfair competition, that workers were not sweated, and that work was done in reasonably healthy surroundings. The inspection of private homes was to be avoided. The labelling system was the best answer.

The idea of the labels seems, however, to have been so unattractive that it effectively prevented those who wished to work at home from doing so, and a compromise arrangement evolved without special enactment. The Factories Acts had always provided that premises were a "factory" (and were therefore liable for registration and inspection) if they used power machinery, no matter how many persons were engaged. Thus a room in a house equipped with an electrically-driven sewing-machine could be registered as a factory. This avoided labelling, but gave Inspectors the right of entry, and of refusal to register. Constant regard (at annual re-registration times) for cleanliness, for earnings, and for the possibility of children's work enabled the Department to prevent abuses, and the effect was that in necessitous cases labelling was avoided at the price of supervision.

It is to be noted that the Act contemplated only work in "shoddy" or textiles. In the footwear trade a system grew up whereby the machining of uppers could be carried out in private homes. In the New Zealand Female Boot Operatives' award of 16th July, 1912 (13 Awards 458), it was provided :—

> All work shall be performed in the factory workshop, except where permits to work at home are granted. Applications for such permits shall be referred to one representative appointed by the Boot-manufacturers' Association and one representative appointed by the union. If no agreement is arrived at between the two so appointed, the matter shall be referred to the Inspector of Awards for the district, and his decision shall be final.

This provision was expanded in subsequent awards and used to no small extent. However, the number of permits granted depended upon the goodwill of the union and of the employers' association. When this was not forthcoming it was found that application could be made for registration as a factory of premises containing a power-machine, and the Inspector, having no authority to refuse registration if the room set aside was in accordance with the provisions of the Act, the "permit" process could be by-passed. In fact, in 1916, when, at the instigation of a union, an employer who did this was prosecuted for failing to pay award rates of wages to an outworker in respect of whom no "permit" had been obtained, and where premises were registered as a factory, it was ruled by the Court of Arbitration that between the firm letting out and the outworker there was no relationship of master and servant (since the worker purchased the material and sold it back), and that therefore the provisions of the award could not apply (18 Awards 878).

In the years of expansion after World War I outwork did not emerge as a pressing practical problem. The attitude to outwork has always depended upon general economic conditions. In a state of something approaching full employment an employer seeks outworkers not so much to get work done more cheaply, as to get it done at all, and if reasonable rates are paid the Department has not had the reluctance to allow the practice to be extended that characterized more stringent times.