

LABOUR.

It is gratifying to be able to state that our prospect of success in industrial legislation is gradually becoming assured. Not only are fewer offences committed against the labour laws or the Arbitration Court awards than was formerly the case, but there is noticeable a general feeling of enhanced confidence between employers and employed. Much of this is owing to the change wrought by last year's amendment of the Industrial Conciliation and Arbitration Act in the direction of appointment of Commissioners and Councils of Conciliation. The work done already by these Commissioners and Councils has not only prevented much litigation and eased the former strain on the Arbitration Court, but has brought about a spirit of mutual forbearance and agreement which is full of promise and encouragement.

Certain trades in the Dominion have suffered from the unemployment of some of their members during this last autumn and winter. Flax-millers and fellmongers were among the earliest to feel the "tightness" of money resulting from financial crises abroad, then the building trades and general labourers found many of their number out of work. The scarcity of employment was not universal, but was locally severe, especially in Wellington. Every effort was made by the Government to meet the difficulty by expediting proposed building operations, and by placing some of the men at bushfelling or on public works. The financial depression is now apparently over; flax-mills are beginning to reopen, and building contracts are being let. With the spring, the high prices of our staple exports, and the productivity of the country generally, which has been undiminished during the time of stress, will again induce prosperity.

MINING.

This industry is steadily progressing. The works for testing the deep alluvial leads at Ross, which have been assisted by subsidy from the Mines Department, are nearly completed, and it is hoped that this company will soon be included in the dividend-paying list. The negotiations for testing the deep quartz reefs at the Thames are still being proceeded with, and it is expected that a start will soon be made with the driving of the crosscut.

The deposits of hæmatite ore at Parapara, though still unworked, are now attracting the attention of capitalists, and the manufacture of iron may be added to the other industries of the Dominion in the course of a few years.

In April last arrangements were completed with the Native owners, and the Urewera District Native Reserve was opened to the prospector and the miner, but the negotiations were so recently completed that nothing definite as to the value of the mineral wealth of the area has yet been recorded.

The export of silver for the past year is again considerably in excess of any annual export so far recorded, and this also applies to the output of coal for the year.

OCEAN MAILS.

Negotiations have been proceeding with the view of including Auckland as a port of call of the Vancouver steamers, and I am hopeful that the sympathetic attitude of Canada will assist towards securing the desired result. Sir Wilfrid Laurier has, in response to a cable communication from me, replied that Canada is agreeable if Australia consents. I am submitting the matter by letter to the Prime Minister of Australia, with a view to Auckland being included as a port of call. I trust that the Commonwealth Government may be able to agree to what would be to the advantage of Canada, Australia, and New Zealand, as a linking-up of the three countries by a service of this kind must confer advantages upon all. In the meantime I have endeavoured to arrange a close connection with the Vancouver steamers at Fiji, but the high cost of this and the undesirability of establishing such a connection, if there is a possibility of the main line being diverted to Auckland, may make it advisable to await the result of the negotiations now proceeding between this Dominion, Canada, and Australia; but should it not eventuate, then every effort must be made to