may be proud that, in a time of some commercial depression, and with no "boom" in land or public works, it was able to absorb industrially nearly ten thousand new-comers, besides the fifteen thousand children who annually leave our public schools, and need employment. For this number has been almost absorbed, in spite of the clamour of the noisy few (few in proportion to the general population) who have lately made themselves conspicuous by agitation in some of the urban centres. The public will have to learn to discriminate between men really anxious to work and men who only call out for work; too many of the "hard cases" rejected by the Labour Department being among the latter class. There is also a great difference between the fifty or a hundred "unemployed" being in a certain place, as locally described, and the real number of men who would be out of work if there was not some supposed chance of public works being commenced in the district in response to persistent agitation. It is the duty of this department to ascertain the real facts, and several very delusive bubbles have been pricked by its aid.

The only feature of the Australian influx which I consider wholly harmful is that, consequent on the immigration of so large a number of worthy men, there has followed a small fringe of the "sundowner" or loafer element. These men, accustomed to wander from station to station, and claim hospitality at nightfall, have tried the same system in New Zealand, until in some parts the patience of the runholders is utterly exhausted. Others, not used to the country districts, have been morally ruined by the State doles of bed and board given, without return in the shape of work, by the other colonies. While recognising the great pressure of sudden poverty under which this system was commenced, it is one of such evil principle, and its effects so utterly disastrous to the self-reliance and uprightness of the working-classes, that I trust this department will be allowed to continue to uphold its steadily-applied rule of, "Without work, nothing." However necessary charitable aid may be for the sickly and helpless, for the strong and healthy the acceptance of money or money's worth without equivalent of labour is infinitely shameful and degrading. That private citizens are now subscribing money to find work for the few workless men to do is as creditable to their brains as to their generosity. In spite of alarmist vapourings, which arise partly from interested or prejudiced motives, New Zealand's operative and industrial classes have passed through far worse crises and times of depression than they are likely to experience during the year 1894.

But, although the magnitude of the "unemployed" difficulty in New Zealand has been in some places exaggerated, there is no doubt that consideration of the subject is worthy the most earnest and concentrated attention of statesmen. Our insular position, and the capabilities of extension offered by a young colony, have prevented New Zealand hitherto from feeling the effects which over-population and social pressure from beneath are exerting in the older countries. The results are just beginning to influence us, but every year will find us nearer to a more formidable danger. With respectful sincerity I affirm, as the result of much study and wide reading on the subject, that the present attitude between the employed and the employing classes is one which in its nature is impossible to long continue. Landless men will increase every year far faster than land-owners, and wage-earners than men who can pay wages. Added to this is the supplanting of labour by the growing efficiency of machinery constantly added to by new inventions. In towns the labour of the skilled trades is not only suffering from boy and girl competition with adults, and from being "crowded out" from within, but is threatened in some cases by the destructive influences of forces from without. Thus, in the printing business, the introduction of linotype, doubtless to be followed by other still more exhaustive inventions, threatens to attenuate the human element in type-setting almost to extinction at no distant date. The "automatic accountant," which typewrites and adds up figures at the same time, will decimate the ranks of the clerks. In the country districts, large estates can be worked by agricultural machinery attended by a few hands, where, under the old conditions, hundreds of persons would have been employed. There can be but one result to all this-namely, the increase of "unemployed" year by year, an ever-growing strain on the resources of those able to keep on working, and, finally, national paralysis.

It would be of little avail to make the above boding predictions without attempting to point out some probable mode of escape from the difficulty. The causes tending to social congestion are too many, and too vast in character, for me to attempt to describe or even to enumerate them, but they focus in one phrase—viz., "the divorce of the worker from the means of subsistence." Hold what theory we may, hide the facts in what casuistry we may, it remains that the wagepayer is the master of the wage-earner, the landholder is the master of the landless, and the owner of machinery is the master of the machinist. The point touching us most nearly, as of practical benefit, is the desirability of getting a large part of the population into occupation of small holdings. It is an absurdity to suppose that New Zealand can be called peopled at present, with its whole population less than that of a single first-class English town. Great Britain, with its millions of inhabitants, does not contain anything like the number its soil is capable of supporting. Perhaps I may be allowed to quote the words of an authority on this subject :—

If the soil of the United Kingdom were cultivated only as it was thirty years ago, 24,000,000 people, instead of 17,000,000, could live on home-grown food; and that culture, while giving occupation to at least 750,000 men, would give nearly 3,000,000 wealthy home customers to the British manufacturers. If the 1,590,000 acres on which wheat was grown thirty years ago—only these and not more—were cultivated as the fields are cultivated now in England under the allotment system, which gives on the average forty bushels per acre, the United Kingdom would grow food for 27,000,000 inhabitants out of 35,000,000. If the now cultivated area of the United Kingdom (85,000 square miles) were cultivated as the soil is cultivated, on the average, in Belgium, the United Kingdom would have food for 37,000,000 inhabitants, and it might export agricultural produce, without ceasing to manufacture, so as freely to supply all the needs of a wealthy population ; and, finally, if the population of this country came to be doubled, all that would be required for producing the food for 70,000,000 inhabitants would be required for producing the food for 70,000,000 inhabitants would be to cultivate the soil as it is cultivated in the best farms of this country, in Lombardy, and in Flanders, and to cultivate the meadows, which at present lie almost unproductive around the big cities, in the same way as the neighbourhoods of Paris are cultivated