

GENERAL SURVEY.

In submitting this, the first report of the activities of the Commission, which covers portion of the year ending 31st March, 1941, it is both fitting and proper to refer briefly to the importance of the industry and the circumstances which led up to the setting-up of the Waterfront Control Commission.

In the first place, the prosperity of the people of this Dominion depends upon the production and exchange of goods, and the security of the people lies mainly under the protection of the armed forces of Britain, and it is a responsibility of Government to ensure that both the prosperity and security of our people is not imperilled by industrial unrest or inefficiency in the process of either production or distribution of essential commodities. The advent of the war increased these responsibilities, creating an emergency which compelled a complete regrouping of the Dominion's industrial and economic forces under the direction or control of the State or special authorities appointed for the purpose. To maintain our prosperity as far as possible and to contribute to the security of the Empire, it became apparent in the first few months of the war that nothing short of the maximum effort of every citizen was required, directed on national lines.

The export of our primary products to feed our kinsfolk and troops overseas became of paramount importance to Empire security in particular and to our economy generally, and so attention was directed on the question of the more efficient use of shipping tonnage. The problem was aggravated by the withdrawal of ships for naval and military purposes and to the loss of tonnage by enemy action, as well as the diversion of a number of refrigerated vessels to the South American trade, which provided a shorter route over which to convey essential foodstuffs to the United Kingdom.

It was obvious to those in authority that to bring the efficiency of the shipping industry to the highest pitch in the shortest possible space of time, the methods and manner of loading and discharging cargo would have to undergo a complete change. The Government was aware of the fact that a long-standing dispute existed between the representatives of the shipowners and the waterside workers which had aroused a hostility injurious to the national effort, and in an endeavour to settle same and re-establish good will between the parties as a prelude to effective co-operation, Ministers of the Crown met representatives of the parties. Though both parties offered their full co-operation, it became only too apparent that they could not resolve differences of long standing and work in that degree of accord which the circumstances required. In view of the degree of urgency existing, something had to be done, but before taking action it was decided to set up an inter-departmental Committee consisting of representatives of the Labour, Railways, and Marine Departments under the chairmanship of a master mariner, with directions to report on the system of waterside work, its results, and what was required to be done to obtain the maximum efficiency in the despatch of ships in the shortest possible space of time. The Committee, which was set up in February, 1940, was alive to the necessity for haste and the extent of the work entrusted to it, and after several weeks of sustained effort, reported at the end of March, 1940, that there was considerable room for improvement in the speed and method of working cargo at the main ports and to a lesser extent at some of the secondary ports. It advocated a complete change in the system of remuneration, and the setting-up of a Commission to control the industry.

Following receipt by the Government of this report, Emergency Regulations were gazetted, and a Commission of three persons having knowledge of the industry from different angles was appointed on the 9th April, 1940, and was known as the Waterfront Control Commission. The Commission was armed with the wide powers the emergency demanded to control and do anything necessary on the waterfronts of the Dominion to bring about speedier handling of cargo and a quicker turn around of shipping. The Commission realized that it had no light task ahead to control approximately six thousand casual workers and reorganize methods of handling a daily average of 25,000 tons of cargo.

The Commission decided that the first essential to improve working was to restore harmonious relationships between the shipowners and the waterside workers by settling the long-standing dispute which existed. The major cause of the dispute was found to be the failure of the employers to grant an increase in the hourly time rates equivalent to the increase awarded to all other industrial workers in the Dominion by the Arbitration Court's general order of September, 1937. The waterside worker, by not participating in the increases referred to, lost the relative position he held for fifteen years comparable with other industrial workers, and the Commission issued an order which restored same by an increase in the hourly rate. The order also increased the minimum payments, and made a few other adjustments which were relatively unimportant. The order was in substitution of the award of the Court of Arbitration, which had been cancelled on the setting-up of the Commission by the Minister of Labour pursuant to the Waterfront Control Commission Emergency Regulations. The issue of the order was intended purely as an expedient to bridge the gap until such time as an entirely new system of remuneration could be substituted for the unsatisfactory method of hourly payment whereby a maximum return was obtained for a minimum effort. The method of working decided upon was designated co-operative contracting, and as soon as the organization of the Commission was advanced far enough, the new system was put into operation at Wellington on the 3rd June, 1940, and proved instantly successful in speeding up the work.

The new system of remuneration was designed to return an equivalent hourly rate of pay to each member of a gang working cargo at a fair average speed of work—the speedier the rate of work became above that basic level, the greater the reward that would accrue to the workers.

It was not to be expected that so revolutionary a change of system could be established without bringing in its train a host of minor difficulties, and expectations in this respect were well fulfilled. However, the difficulties that arose were tackled with energy, and, when resolved, the new system of