

After meeting working-expenses of £7,327 17s. 9d. (less than 2 per cent. of total value of contracts), an amount of £48,546 2s. 6d. is transferred to Appropriation Account.

Profit distribution represents £42,796 15s. 9d., an amount of £4,000 is transferred to a Gear Purchase Reserve Account, and the balance of £1,749 6s. 9d. is carried forward as accumulated funds.

Revenue Account, Appropriation Account, and Balance-sheet are shown in the Appendix.

LABOUR ENGAGEMENT BUREAUX AND CENTRAL PAY OFFICES.

Up to 31st March, 1941, the Commission assumed control of the Labour Engagement Bureaux and Central Pay Offices at the undermentioned ports:—

Port.	Date taken over.
Auckland	31st July, 1940.
Wellington	10th July, 1940.
Lyttelton	30th October, 1940.
Dunedin	28th August, 1940.
New Plymouth	2nd October, 1940.
Bluff	11th December, 1940.*

* Office established by Commission.

A levy is struck at each port to cover salaries of staff and to meet operating-expenses. All accounts have been closed at 31st March, and each port's accounts will cover period from date Commission assumed control until 31st March, 1941.

Summarized Revenue Account and Balance-sheet appear in the Appendix.

Statements also appear in the Appendix showing wages and levies thereon paid by the respective shipping companies at each port for the period of Commission control.

The amounts of wages paid, levies on wages, and profit distributions shown in the statements of accounts of Labour Engagement Bureaux and Central Pay Offices do not agree with the amounts shown in the statements of accounts for the operation of the co-operative contracting system, for the following reasons:—

- (a) The wages and levies shown in statements of accounts for Labour Engagement Bureaux and Central Pay Offices represent total wages paid on all vessels for period shown whether worked under contract or not.
- (b) At some ports where vessels were worked under the co-operative contracting system, the Central Pay Offices were not controlled by the Commission.

CONCLUSION.

The activities of the Commission since its appointment have been directed towards the speedier turn round of shipping. One of its greatest problems has been the substitution of a "payment by results" system in lieu of the unsatisfactory method of hourly payment whereby a maximum return is obtained for a minimum of effort.

The inevitable difficulties accompanying such a fundamental change in the basis of remuneration are being ironed out with time. Unfortunately, uniformity in the application of the system of contracting is unattainable, due to the dissimilar characteristics of the ports of the Dominion, which require varying methods of working to meet particular needs. The system has yet to be extended as far as coastal vessels are concerned to certain secondary ports, and the experience gained over the past portion of a year will facilitate establishment.

It is anticipated that the improvement obtained in the past will be eclipsed in the year that is passing, but it is not to be expected that the handicaps to efficiency that have grown up over practically half a century can be overcome in a few short months.

An unreasonable impatience is sometimes displayed by individuals with the progress made in the removal of restrictions, but such persons fail to understand the rudiments of industrial contentment, and would prefer to see the Commission exercise more frequently its arbitrary powers to enforce discipline.

It is felt that these people mistake the patience of the Commission under the duress of irrational actions by small groups of workers for a sign of weakness, but it should be fully realized that the use of arbitrary authority tends to usurp the functions of good will and is therefore inimical to the spirit of co-operation, which alone will produce that measure of efficiency which the national effort requires.

What is wanted most of all is a new industrial outlook and a new spirit of co-operation between all groups within the industry, and efforts are directed towards that desirable end, and it is expected that results in future will fully justify the measures taken and the attitude adopted by the Commission.

R. E. PRICE }
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