

Government Railways Department, which is the body chiefly concerned in the payment of equivalent profit distribution. It was considered more correct to include the income received to cover wage payments subject to equivalent profit distribution under the heading "Equivalent Contracts" than to treat such amounts as "Non-contracts"—that is, wages basis only.

Net profit, which for the year ended 31st March, 1947, was £222,691, is an increase of £11,023 over the previous year and is equivalent to a return of  $11\frac{2}{3}$  per cent. on profit-earning income as against a return of  $11\frac{1}{2}$  per cent. in 1945-46. There has been a substantial increase of £20,935 in profit distributions and grants as compared with 1945-46. At £210,788 the appropriations under these headings amount to 94.65 per cent. of the total net profit for 1946-47, which compares with 89.70 per cent. for 1945-46. The appropriation of £5,000 to Buildings Reserve absorbs a further 2.25 per cent. of net profit, leaving a balance of £6,902, equal to 3.10 per cent. of net profit, to be carried down to Accumulated Funds Account, the balance of which, as at 31st March, 1947, was £35,435.

In view of the continued downward trend in total Co-operative Contracts Fund income it has been necessary to increase the percentage assessment for administration in order to cover costs on a peacetime basis. As from the 1st April, 1946, therefore, the Commission has fixed this assessment at  $1\frac{1}{4}$  per cent. on total income instead of 1 per cent.

#### (e) NATIONAL ADMINISTRATION FUND

(See Appendix, page 78)

This is a new fund established as from the 10th March, 1947, in terms of the Commission's Order No. 11. The main reasons for setting up this fund are outlined in Section (1), General, of these comments. The classes of expenditure now covered in National Administration Fund and the funds previously responsible for such expenditure and which are now amalgamated in the new fund are—

Class of Expenditure.	Previous Fund.
1. Annual and statutory holidays . . . . .	Annual Holidays Act.
2. Central pay offices and labour engagement bureaux . . . . .	National Pay Office.
3. Daily and weekly minimum payments . . . . .	..
4. Preparation, &c., of Co-operative Contract Fund accounts and general Head Office expenses	General (Administration).

The income to cover this expenditure is derived from a National Administration Fund levy at the rate of eightpence (8d.) per paid labour-hour and is a flat rate applicable equally to ordinary and overtime, union and non-union hours. This levy, of course, has operated only from 10th March, 1947, and is exclusive of assessment income and parliamentary appropriation in respect of general (administration) expenditure, which is referred to later. The balance of income for the year ended 31st March, 1947, has been derived from individual fund levies as constituted prior to the 10th March, 1947. The details concerning the various sources of income are :—

(i) *Annual Holidays Act Levy* (1st April, 1946 to 10th March, 1947).—For the period 1st April, 1946, to 4th August, 1946, this levy remained at  $2\frac{1}{4}$ d. per paid labour-hour. As from the 5th August, 1946, the levy was increased to 4d. per paid labour-hour in order to provide for the cost of nine paid statutory holidays per year. It was estimated that a levy of  $2\frac{3}{4}$ d. per paid labour-hour was equivalent to £100,000 per annum and that the additional  $1\frac{3}{4}$ d. per paid labour-hour would produce £75,000 in a full financial year.