

being increased to 36s. 8d. Over the whole period up to 31st March, 1943, the Committee had accumulated a deficiency in operation of £2,101 and had lost equipment to the value of £656. These losses have been made good from War Expenses Account.

As the running of the camps by the committee was proving costly, control was handed over to a Director, who carried on until 3rd January, 1944, when further losses of £642 on operation and £487 on stock had been incurred. The average weekly cost per man accommodated was approximately 39s. 6d. On 4th January, 1944, control of money and stores was brought under the Public Works Department, and accounts drawn up for the first three months show that the weekly cost has been reduced to 32s. 1d. per man for 473 men accommodated, a saving of approximately £175 per week. About one-fourth of the men in the camps are employed on non-Government work, and for these a charge of £2 per week is made to the employer. No charge has been made in the operating accounts for depreciation and interest on camp buildings and equipment.

*(l) Purchase of four Dumb Lighters by Navy*

In July, 1942, the Navy requisitioned from a Gisborne firm four dumb lighters for boom defence work, subject to the vessels being slipped and surveyed. The lighters were towed from Gisborne to Wellington after inspection, but without having been thoroughly surveyed, and a subsequent inspection proved them to be unfit for the service for which they were intended. One was pronounced to be full of decay and useless, two to be beyond repair, and the fourth to be fit, after necessary repairs, for light work only. Accordingly, in January, 1943, the Navy asked that they be returned to the owners, and in May, 1943, the Marine Department advised the Naval Board that the owners had agreed under certain conditions to take back the vessels. Whilst two of the lighters were being retowed to Gisborne they broke loose in a storm, one becoming a total wreck and the other receiving such damage that the owners refused to take delivery. The remaining two suffered storm damage in Wellington Harbour and are now unfit for return to Gisborne. The Departments concerned, after negotiation with the owners, have been obliged to pay £8,250 for the four vessels. The Naval Board has expressed the opinion "that the trouble with these lighters would have been obviated if the Marine Department had adhered to the usual procedure in these cases. There can be no doubt that had an adequate survey been completed in Gisborne before requisitioning action was taken, the vessels would have remained in possession of their owners."

*(m) Working of Cargo Vessels "Round the Clock"*

In view of the shortage of vessels to work the coastal trade, particularly in regard to the transport of coal, timber, and produce from the South Island to the North Island, the Waterfront Control Commission in June, 1942, issued an order requiring all vessels over 350 tons net register, and in certain cases vessels of a lesser tonnage, to work extended hours in loading and unloading cargo. The additional costs of working the vessels have been accepted as a liability by the Government, but any benefit accruing to the shipowners through the quicker turn round of the vessels is to be deducted from the increased costs.

Although several conferences between the shipowners and Government representatives have been held, agreement as to the value derived by the shipowners from the quicker turn round of the vessels, or "despatch," has not yet been reached.

From July, 1942, to February, 1944, the Government has made progress payments amounting in all to £384,560 7s. 3d. towards meeting shipowners' additional costs. The Audit Office understands that payments since February have been suspended pending verification of the claims submitted by the shipowners and agreement as to the deduction to be made for the benefit derived by the shipowners by the quicker "despatch."