

(3) In the field of industrial welfare the year's activities reflect a steady forward movement in physical conditions. This is partly a result of increased inspection activity made possible as a result of staff additions and training. Factory inspections totalled 13,037, as compared with 7,955 in the previous year. The forward movement in physical conditions is also, however, attributable in part to the voluntary adoption of higher standards by a proportion of factory managements and a gradually widening appreciation of the effect of good conditions on working morale and output. This improvement can be expected to accelerate as shortages of building materials are overcome. Nevertheless, there remain too many factories which are unsuitably housed and where the scope for improvement is greatly restricted for this reason.

(4) While the need for new or altered premises is an urgent one in many cases, a considerable proportion of factories could, however, greatly improve existing conditions by more attention to lighting, heating, interior painting, general cleanliness, and good housekeeping. This criticism applies particularly to many of the smaller factories, but also to a proportion of larger ones. In such physical conditions, however, a number of progressive firms are setting a good lead, both by introducing overseas advances and by experimenting for themselves. It is becoming more customary for managements and also for architects and ventilating engineers to consult with the Department on plans and changes in plans for factories.

(5) In the non-physical conditions of work there has been less evidence in New Zealand of an application of the important advances being made overseas. This reflects itself particularly in the field of accident prevention, where there is far too little realization of the achievements possible through training in safety, the use of safety committees, promotion of safety-consciousness amongst workers, and similar measures. Loss of time through accidents is many times greater than through industrial disputes (950,908 days in 1946, as compared with 30,393 days lost by industrial disputes). Figures detailed elsewhere in this report (Tables XV and XVI of Appendix) give no grounds for complacency in this matter.

(6) Similarly in other reflexes of the non-physical conditions of work, particularly labour turnover, there is evidence of inadequate attention to important but less tangible factors which contribute to high morale such as efficient training of workers, well-trained supervisory staffs, attention to personnel problems, and appropriate forms of "get-together" between workers and managements. In these matters New Zealand continues to lag considerably behind up-to-date overseas practice. In its Training Within Industry activities and its Personnel Advisory Service (discussed elsewhere in this report), as well as through its Inspectors, the Department is nevertheless gradually winning a widening interest in this field.

(7) Although industrial stoppages attract considerable publicity wherever they occur, the year under review has not been a bad one in this respect, either as compared with other years or as compared with overseas. Disputes have been localized and mostly of very short duration. They have been dealt with firmly, but with regard to the achievement of better understanding and improved relations after the dispute. Over the great bulk of the industrial field the relations between workers' and employers' organizations have been good. Conciliation Commissioners have brought the parties to complete agreement in 131 cases, as compared with 89 in the previous year. No agreement was reached in only two cases. Meetings of disputes committees set up under the provisions of awards numbered only 24, as compared with 45 in the previous year.

(8) Before the close of the period under review the Court of Arbitration was asked to make a pronouncement specifying standard rates of wages. The Court's decision, issued on 12th April, is referred to in Section 4 of this report.

(9) In general, the activities of the Industrial Welfare and Industrial Relations Divisions of the Department over the past year reflect a scene in which social and economic changes are still taking place. Industry is still expanding, labour shortage