

MEMORANDUM by the Hon. the ACTING PRIME MINISTER.

Prime Minister's Office, Wellington, 11th January, 1917.

Memorandum for all Ministers.

In the proposals for the "Organization of Industries during the war" I wish to call your attention to—(a) Paragraph dealing with "New Industries during or after the War"; (b) paragraph "Need for Further Technical Education and Scientific Research with respect to Existing or Future Industries"; (c) paragraph *re* "Absorption of Returning Soldiers."

The National Efficiency Board may do very great service to New Zealand by consideration of new industries which may be established immediately on peace being declared. If such are brought into existence the absorption of the returning soldier will be materially aided.

Great Britain, Canada, the Commonwealth of Australia, and the Union of South Africa are all taking steps to provide for new industries, and as one means of encouraging the establishment of new industries and the extension of those already in existence each country is determined to actively prosecute scientific and industrial research.

For the information of members of Cabinet I attach a copy of Government House despatch (No. 3688/16) from the Governor-General of the Commonwealth. It will be noted that action has been taken in connection with "Scientific Research."

If we in New Zealand wish to prevent our returning soldiers being attracted away by inducement and opportunities offered outside New Zealand it seems necessary that steps should be taken without delay to set up a Committee to deal with scientific and industrial research, and I believe this Committee should work in conjunction with the National Efficiency Board.

At Cabinet meeting to-morrow I will distribute, as far as the number at my disposal will allow, copies of a pamphlet issued by the Victorian State Council entitled "The Repatriation of the Soldier." This pamphlet summarizes reports of valuable work done in Canada, and makes suggestions for action in the Commonwealth of Australia. Further copies have been asked for, and on receipt they will be distributed to members of Cabinet who have not received a copy.

If Cabinet agrees to the appointment of a Scientific and Industrial Research Committee, I propose that the Minister of Education should recommend to Cabinet names of gentlemen suitable for the purpose.

The Committee should represent the scientific and industrial interests of the country.

J. ALLEN,
Acting Prime Minister.

NATIONAL EFFICIENCY BOARD to the Hon. the ACTING PRIME MINISTER.

SIR,—

National Efficiency Board, Wellington, 5th February, 1917.

We have the honour to confirm our acceptance of office, verbally made by you at the interview which we had the pleasure of having with you on the morning of Friday, 2nd instant, when you formally notified us of our appointment by Cabinet to consider and report upon the question of the organization of industries in New Zealand during the war and afterwards. We have carefully considered the memorandum which you handed to us, and now have the honour to place before you the conclusions which we have so far arrived at.

We are unanimously of opinion that it is desirable that such a Board should be formed, and that it should commence work as speedily as possible; that there should be a central office in Wellington, and that the Board should meet there from time to time, and also in other centres. It is necessary that the Board should be furnished with a thoroughly competent secretary to take charge of the central office. The man selected should be an experienced public servant with a thorough knowledge of Government departmental work.

We have appointed Mr. William Ferguson as Chairman of our deliberations.

We have carefully discussed the proposals set out in your memorandum as to the constitution not only of the Board, but also of the various organizations which it is suggested should work in conjunction with it. Our present idea is that it is inadvisable to set up the elaborate system of committees which is outlined in your memorandum; but we believe that good and efficient work can be obtained by the appointment of such voluntary experts in particular channels of investigation as may be necessary in each district or subdistrict, and in each industry or sub-industry. We suggest that each member should have the privilege, after preliminary inquiry into the various questions that may come before him in his own district, to nominate through the Chairman, for appointment by the Government, individuals who should be requested to act as voluntary expert advisers to the Board.

It is also proposed that the members of the Board in their respective districts should, as far as possible, obtain the assistance and co-operation of existing organizations, with the view to co-ordinating the producing, manufacturing, labour, commercial, and distributing interests of this Dominion. By these means it is believed that expert evidence can be obtained in the quickest and most accurate manner. It is realized that existing organizations may not fully represent the industry or interests affected; the members of the Board will therefore be careful to obtain outside assistance, apart from the trade and other organizations, where they deem it desirable. It is possible, particularly in connection with men representing the labour organizations, that it would be unfair to ask individuals to give their services without remuneration, and, although it is hoped the great bulk of the work would be done voluntarily, authority should be given to this Board to make arrangements for payment where it is considered desirable.