

organization that may be set up should be such as will enable a close personal contact between the National Industrial Efficiency Board and the proposed Research Committee.

With regard to that part of your memorandum relating to the cost of our operations, we feel that at the present preliminary stage we are unable to express any definite opinion; but it will be obvious from what we have already stated that at the outset the expenditure will be at a lower rate than that mentioned in your memorandum. What the expenditure will eventually become can only be ascertained as experience shows what is necessary.

After our appointment has been confirmed and our powers have been clearly defined, we propose to commence our work by holding a public meeting in Auckland, Christchurch, Dunedin, and Wellington respectively, at which all members of the Board will attend, the object being to endeavour to obtain the benefits of public approbation and assistance which, in our opinion, are most essential. We feel that our hands would be greatly strengthened if Ministers of the Crown could arrange to attend these four initial meetings, because this would give weight to our work which no official document could accomplish.

In conclusion, we report that it is not at present within our power to make recommendations on any of the vital questions raised by your memorandum. Before this can be done there must be due investigation of each particular subject. Any conclusion which we could arrive at at present could only be tentative, and would probably have to be modified materially after investigation. We believe that the only method by which we can secure good work is for the Government to give to the Board full powers, and we assure Cabinet that individually and as a Board we recognize the importance of the duties which the Government proposes to place upon us, and that we commence our work with a full sense of our responsibilities.

We have, &c.

WILLIAM FERGUSON, Chairman.

JAS. A. FROSTICK.

J. H. GUNSON.

W. D. HUNT.

The Hon. J. Allen, Acting Prime Minister, Wellington.

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

SIR,—

National Efficiency Board, Wellington, 16th February, 1917.

We have the honour to report that we have duly considered the question of a practical policy in respect to soldiers' farms and businesses. We understand that the question is deemed by the Government to be one of urgency. It has therefore received our earliest attention, and we agree that it is a matter to be dealt with forthwith.

Farms.

In the majority of cases the Military Service Boards are refusing, and we think rightly so, to give total exemption, but are allowing farmers a limited amount of time to arrange their affairs before going into camp. In some cases men are able to arrange for the management of their farms, in other cases they are disposing of their properties by sale or lease; such disposal, however, is becoming increasingly difficult to arrange. The operation of the Military Service Act renders the future of all Reservists so uncertain that it precludes them from becoming either purchasers or tenants. The operation of the Act so limits the future supply of labour that, in effect, it prevents men who are not Reservists from buying or leasing land, particularly that of a dairying or arable class.

We are of opinion that immediate facilities should be provided by the Government for the management of soldiers' farms. In many instances the farmer Reservist when called up succeeds in making arrangements suitable to himself, and of a character that enables his farm to be run as in the past. No assistance is required from the Government in cases of that class. Upon the other hand, there is a large number of farmers being called up who find it impossible to suitably arrange for the continued management of their farms. Under such conditions facilities for the management of soldiers' farms should be immediately provided. We therefore beg to submit the following proposal:—

Boards of Trustees should be appointed for particular districts or subdistricts as may hereinafter be provided to advise, manage, or dispose of soldiers' farms, or in case of death to act (if required) for the beneficiaries. The Boards of Trustees should be appointed by the Government upon the recommendation of the National Efficiency Board.

The National Efficiency Board to determine from time to time the centres in which it considers it necessary to establish Boards of Trustees. Each Board should consist of three members, whose services should be rendered voluntarily. Two should be business men with a thorough knowledge of the district concerned and of farmers' requirements generally; the third a practical farmer resident in the district. Such Boards of Trustees shall be subject to and responsible to the National Efficiency Board. The member of the National Efficiency Board for the district shall be *ex officio* a member of every Board of Trustees in his district, and may, at his own discretion, call meetings of Trustees at any time.

The Trustees shall appoint a Supervisor for each farm, who must be a practical farmer and be approved of by the National Efficiency Board. Each Supervisor shall accept responsibility