

The National Efficiency Board should therefore take into consideration the nature of the business from which the soldier has been taken, with a view to render to him whatever assistance may be possible in cases where, in the opinion of the Board, such business should, in the interests of the State and the soldier, be carried on. It is probable that in some cases it may be best in the interests of all concerned to amalgamate soldiers' businesses with other existing businesses. The question of the financial status of the soldier should be considered upon identically the same lines as that of the farmer and as to whether such business is essential or otherwise. Where in the opinion of the National Efficiency Board the business shows reasonable prospect of success if carried on under supervision the Board should, subject to the special request of the soldier, endeavour to make arrangements accordingly; but in every case the National Efficiency Board, through the Trustees, should not undertake to supervise any business unless powers of sale and of amalgamation with other businesses are given to them, to be exercised whenever it appears to be impossible to continue the business without loss to the creditors in the estate.

In cases where it appears necessary to arrange for the immediate disposal or winding-up of any business the soldier may apply to the Board for his business to be so dealt with, and in such case the machinery herein set up by the Board could be available. The proceeds, after payment of all liabilities, may be paid direct to the soldier, or by request may be invested on his behalf in the same manner as provided for under the conditions applying in this recommendation to farmers.

Moratorium.

With the view of protecting the estates of soldiers whilst in the hands of Trustees (either farm or business) we recommend that the provisions of the moratorium legislation shall be made to apply, in order that the Trustees may not be hampered in any way in the discharge of their duties, particularly in regard to financial obligations which may have been left by the soldier.

We have, &c.

WILLIAM FERGUSON, Chairman.

JAS. A. FROSTICK.

J. H. GUNSON.

W. D. HUNT.

The Hon. Sir James Allen, K.C.B., &c., Acting Prime Minister, Wellington.

The Hon. the ACTING PRIME MINISTER to the CHAIRMAN of the NATIONAL EFFICIENCY BOARD.

DEAR SIR,—

Prime Minister's Office, Wellington, 22nd February, 1917.

I have the honour to acknowledge receipt of the National Efficiency Board's reports of the 5th February, the 16th February, and the 19th February.

Report of the 5th February, 1917.—The report of the 5th February has been considered by the Government and adopted.

I desire to congratulate Mr. Ferguson on his appointment as Chairman, and wish him and the Board success in the very important work they are called upon to undertake.

Arrangements have been made to provide accommodation and necessary secretaries and office staff.

The Government—

- (1.) Will be pleased to deal without delay with the nominations for "voluntary experts" submitted by the Board:
- (2.) Entirely approve of the Board's recommendation to utilize existing organizations as far as possible, and await further proposals with regard to remuneration of men representing labour organizations:
- (3.) Will give to the Board the powers of Royal Commissions:
- (4.) Will deal with the duties of the Board in the document of appointment which is being prepared by the Hon. the Attorney-General:
- (5.) Are pleased to place at the disposal of the Board whatever information and assistance its various Departments can render which may be of value to the members of the Board:
- (6.) Concur in the opinion that "returned soldiers may drift into occupations far below their true standard of fitness and efficiency," and are anxious to counteract this tendency:
- (7.) Await your proposals with respect to intermittent labour:
- (8.) Propose to take action in the matter of scientific and industrial research, and in so doing will bear in mind your recommendations.

Report of the 16th February, 1917.—Your proposals with respect to Boards of Trustees to be appointed by the Government on the recommendation of the National Efficiency Board are approved, and the Board may proceed at once to act.

The Board should not consider itself bound to appoint one farmer on a Board of Trustees if it believes that two would produce greater efficiency.

Your recommendations for the appointment of Supervisors are approved, and action may be taken by you accordingly.