

So soon as your experience will enable you so to do, the Government would be glad to have a further report on the following sentence in your report: "If on investigation it should be found that the financial position of the farmer appears to be unsatisfactory to the National Efficiency Board the management of the firm should be declined."

The Government desire to be informed as early as possible of (1) the difficulties with respect to labour, and of the Board's recommendations thereon; (2) the Board's opinion as to essential, partially essential, and non-essential industries; the labour now employed therein, its better organization, and other possible sources of supply.

Your recommendations concerning the keeping of accounts and the appointment of qualified accountants are approved. As the accountants presumably will be paid, it is desired that the Board should submit some general recommendation as to remuneration which would be applicable generally, thus avoiding the necessity to refer each case for Ministerial approval.

Your recommendations as to investment of accumulated funds and continuation in office are approved.

After duly considering the Board's report of the 16th February, 1917, the Government decided to ask the Board for the "scheme" suggested "under which the farms or, at the option of the Government, farms and stock could be purchased by the State for utilization for settlement purposes."

The Board's report of the 19th February makes definite suggestions: these will be submitted to Cabinet, and a reply will be sent to the Board as soon as possible.

Reverting to the report of the 16th February, the Government appreciate the difficulties with respect to "soldiers' businesses," and approve of the Board's recommendations (1) for appointment of Trustees and Supervisors; (2) for the management of businesses on the lines indicated in your report, subject to satisfactory arrangements made with the soldier. Before any action is taken, and after the Board has made inquiry, the Government would be glad of a further report on this matter.

Your proposals for the winding-up of businesses by the machinery set up by the Board are approved.

Your recommendation that the moratorium legislation should be made to apply to protect estates of soldiers whilst in the hands of Trustees has been referred to the Hon. the Attorney-General.

Yours faithfully,

J. ALLEN,
Acting Prime Minister.

W. Ferguson, Esq., Chairman, National Efficiency Board, Wellington.

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