

For the purpose of our inquiry it has been deemed advisable to deduct the sum of £210,925 appearing under the heading of "special funds" because, in the main, these funds exist primarily for—(a) Flock House scheme of farm training (boys and girls); (b) scheme for providing grants for furthering the education of children of ex-service men; and (c) conduct of the New Zealand Veterans' Home, Auckland. Therefore the position (subject to the obtaining of fuller information from the societies regarding the value of outstanding loans to soldiers, referred to below) indicates that something in the vicinity of £724,000 of war funds remains in liquid assets.

The classified list of registered war funds is as follows:—

	£
30 Incorporated societies	832,247
8 Red Cross organizations	140,251
3 Blind Soldiers' and Veterans' Homes Funds (real estate) ..	57,197
10 Unincorporated societies	3,778
3 Memorial Funds	39
1 Navy League Fund	5,739
5 Returned Soldiers' Clubs	21,754
3 Social Funds	2,188
63 Total (shillings and pence have been omitted) ..	<u>£1,063,194</u>

A detailed list of these funds appears as Exhibit No. 26.

In explanation of the above deduction of £489,394 we were informed in evidence that of the sums included in this list of war funds only about 60 per cent. may be taken as liquid assets available for relief, the balance being included in "land, buildings, and loans to ex-soldiers." Many of these loans are irrecoverable. Many of them are only nominally recorded as loans: they were really made and looked upon as "grants," a form of relief which was and is lawful. We did not feel justified in incurring the expense involved in ascertaining, by the means suitable to this Commission of inquiry, the true proportions of liquid and fixed assets and of recoverable and irrecoverable loans. At the same time we think that, as part of the national stocktaking represented by the collection of the above figures, this information should be obtained and recorded. There is a statutory means of procuring this information; it is contained in section 10 of the War Funds Act, 1915, in the following words: "It shall be the duty of the trustees of every [war] fund, as and when required by the Minister, to cause to be furnished to him a statement in writing setting forth such particulars as the Minister may require with respect to (a) to (d) [certain information therein specified]; (e) such other matters as the Minister may from time to time require."

We recommend that Your Excellency's Advisers, in the exercise of this power, require from the respective trustees of the above funds the information indicated in the following headings:—

- (a) What amount of your funds is represented by fixed assets—i.e., land and buildings:
- (b) What amount is represented by cash, bank balance or fixed deposit, or other similar liquid asset:
- (c) What amount is held in other assets, specially setting out loans, and debts recoverable under the three subheadings of "Recoverable," "Doubtful," and "Irrecoverable."

We further recommend that, to procure information that has a direct bearing on the question of how long these respective funds may last, the following question be also submitted to the said trustees: "What is the average annual amount spent by you in administrative expenses—(1) As an average total during the past five years; (2) as a percentage of the amount disbursed by way of relief in each of the past five years?"

Expected Life of the Funds.—Estimates of the expected life of these funds can be approximate only, and are based on the experience and policy of past years, which may prove to be an unreliable guide for estimating future requirements. All that can be said is that some similar funds have been exhausted, some in the