

and eight other ranks were retired on superannuation under the provisions of section 28 of the Finance Act, 1921-22. The remainder received no concessions beyond the grant of retiring-leave on the same scale as for Civil servants. Of the officers retained, four Lieut.-Colonels were reverted to the rank of Major, and one Major to the rank of Captain.

The following table shows how drastic the reductions have been :—

Comparative Strength of N.Z. Permanent Forces.

Unit.	30th June, 1914.		30th June, 1920.		30th June, 1921.		30th June, 1922.	
	Officers.	Other Ranks.	Officers.	Other Ranks.	Officers.	Other Ranks.	Officers.	Other Ranks.
N.Z. Staff Corps ..	121*	..	138*	..	109*	..	75	..
N.Z. Permanent Staff ..	..	211	..	208†	..	178†	..	118†
Royal N.Z. Artillery ..	17	298	27	231	20	188	14	100†
N.Z. Army Ordnance Corps ..	..	14	14	377	9	165	8	103†
N.Z. Army Pay Corps ..	..	16	11	33	7	24	5	11
N.Z. Army Service Corps ..	..	..	3	92	2	87	..	..
Works Section, N.Z.E.‡ ..	..	..	..	..	..	54‡	..	..
Supernumerary Royal N.Z. Artillery (range-wardens, maintenance duties, &c.) ..	..	..	..	..	..	..	..	13
Civil Staff ..	..	83	..	594	..	262	..	71
Aviation ..	..	..	..	..	2	2	2	2
Totals (all ranks) ..	760		1,728		1,109		522	

* Includes officers of the Regular Army on loan, and Cadets at the Royal Military College, Duntroon.

† Includes Honorary Lieutenants.

‡ Works Section formed in November, 1920, from the N.Z. Army Ordnance Corps, who had previously been responsible for all maintenance work.

In the above figures all temporary personnel of units are included, and those under notice of retirement at the date shown are excluded.

The personnel of the Staff Corps, the Permanent Staff, and the Royal N.Z. Artillery is now less than half of that maintained prior to the war, and obviously cannot carry out the same amount of work as the pre-war staff; but by economizing work by closing all obsolete defences, by abandoning the attempt to keep touch with those trainees posted to the Non-effective List, by reducing the total number of compulsory parades, and by consolidating the training as much as possible, it is hoped that training can be continued at all except very small centres.

Approval has now been obtained for the yearly exchange, for periods of two years, of one New Zealand Staff Corps officer with an officer of equal standing in the Regular Army, and application has been made to increase the number of officers to three, so that all New Zealand officers will be able to obtain experience in regimental duties, and the New Zealand Forces will be kept up to date in the latest developments of military training. For the same reasons, I hope that it will be possible to arrange for the exchange of one or more non-commissioned officers of the Permanent Forces each year for periods of one year.

Lieut.-Colonel H. E. Avery, C.M.G., D.S.O., *p.s.c.*, N.Z.S.C., graduated from the Staff College, Camberley, in December last, and, after being attached to the High Commissioner's office for three months, returned to New Zealand. It is intended to send another officer to the Staff College for the course commencing in January, 1924.

Eight Cadets graduated from Duntroon in December, 1921; one, Cadet F. E. G. Batley, having won the Sword of Honour presented to the most efficient Cadet of the class on graduation. Owing to the reduction in the Staff Corps it was impossible to grant commissions to these Cadets, but four of them and one N.Z.S.C. officer, who had graduated from Duntroon in 1920, accepted nomination for commissions in the British and Indian Armies, seven of which have been offered each year for Duntroon graduates.

Five Cadets who had not completed their course at Duntroon were informed that there was no possibility of their being given commissions in the Staff Corps, but that they might complete the course at their own expense if they wished to qualify for the British or Indian Commissions mentioned above; none of the Cadets accepted, and there are now no New Zealand Cadets at Duntroon.

Every endeavour was made to find suitable appointments for these Cadets in other Government Departments, but only one accepted such employment. In addition, arrangements were made with the New Zealand University that Cadets taking up a course of studies for a civil profession would be given credit for the education received at Duntroon; the Government also authorized the payment of University fees over and above the value of bursaries.

Captain A. W. Brocks, M.B.E., M.C., returned to England on the termination of his engagement with the N.Z. Military Forces, and there are now no British Army officers on loan to New Zealand. The five Staff Corps officers who were attached to the British or Indian Army units in India returned to New Zealand in January last, having obtained much valuable experience, including some active service on the north-west frontier. It is not intended to send any more officers for similar attached