

courses, or to obtain any more officers on loan, except in an exceptional case where the services of a specially qualified officer, who cannot be obtained on exchange, are required.

The handing-over of the military hospitals to the Health Department, the closing of the Ordnance depot at Dunedin, the merging of the Palmerston North depot with the Main Ordnance depot at Trentham, and the disposal of large stocks of surplus and obsolete stores have made practicable a considerable reduction in the Ordnance Corps; but the financial situation necessitated a far larger reduction than was warranted by the above economies. At present, in addition to the routine duties connected with the stores, equipment, and clothing for the Territorial Force and Senior Cadets and the mobilization equipment, the Ordnance Corps is dealing with the examination of stores received from the United Kingdom, the marking and issuing of new guns, stores, and rifles, the disposal of surplus stores, and the pricing of all issues and receipts in accordance with the new system of cost-accounting. When these extra duties have been completed, and when proper accommodation has been provided at each command depot, it may be possible to make a further reduction in personnel, but any reduction at present must lead to neglect and consequent depreciation of stores. Against the possibility of reduction must, however, be set the fact that the present system of stores audit will almost certainly necessitate an increase in the clerical staff.

Now that the military hospitals have been handed over to the Health Department, the permanent Army Service Corps personnel, with the exception of one warrant officer retained on the Permanent Staff of each command for instructional duties, has been disbanded. The mechanical transport vehicles have been handed over to a central transport depot in each command, under the control of the Post and Telegraph Department, which will carry out all military transport services.

The Military Works Section, N.Z. Engineers, has been demobilized, and its duties taken over by the Public Works Department, which will be responsible for the maintenance of all Defence buildings and rifle ranges and for all new construction.

The medical treatment for returned soldiers has now been entirely dissociated from the Defence Department, and the medical organization has been reduced to the pre-war basis, the paid personnel consisting only of the following part-time Medical Officers:—

At General Headquarters—One Director-General of Medical Services (also employed by the Pensions Department as Officer in Charge Administration of Military Pensions) and one Assistant Director of Medical Services.

At each Command Headquarters—One Assistant Director of Medical Services.

The report of the Director-General of Medical Services is attached as Appendix A.

Two officers and two other ranks of the Permanent Forces are employed on aviation duties, consisting of the maintenance of Defence air equipment and the control of civil aviation, which comprises the inspection of machines and aerodromes, the granting of licenses to pilots, and the control of Government assistance to civil companies.

The report on civil aviation is attached as Appendix B.

The Permanent Forces of New Zealand form a very fine and efficient body of men, who have done excellent work during the past year in spite of many adverse conditions. Conditions of service in the Military Forces are very different from those in the Civil Service: the entrance tests are higher; all ranks have to accept liability to serve wherever ordered; they have to pass periodical tests—the promotion examination for officers being the same as for officers of the Regular Army—and each entails a long course of hard study; when on instructional duty they have to do much night work, for which no overtime is paid; and much travelling, which usually necessitates an expenditure in excess of the amount drawn as travelling-allowance. In addition, though forced to contribute to the Superannuation Fund, they are not eligible to receive the same benefits from the fund as Civil servants, because of their earlier age for retirement, and because they are liable to be retired as medically unfit for military service on account of disabilities which would not affect their employment in the Civil Service, and which do not entitle them to any retiring-allowance.

TERRITORIAL FORCE, SENIOR CADETS, AND RIFLE CLUBS.

The strength of the Citizen Forces on the 30th June, 1922, was—

	Officers.	Other Ranks.	Total.
Territorial Force	776	13,894	14,670
Senior Cadets	322	23,286	23,608
Rifle Clubs	..	5,769	5,769
Totals	1,098	42,949	44,047

The following are the details in regard to posting of trainees for the current training year:—

Senior Cadets.

Registered for training	10,523
Posted to Cadet units	8,871
Number not posted	1,652

Reasons for non-posting of above:—

(a.) Exempt on grounds of undue hardship	1
(b.) Placed on Non-effective List owing to residence being more than one hour's journey from established drill-centre	1,056
(c.) Gone to sea	..
(d.) Still attending primary schools	550
(e.) Obviously medically unfit	21
(f.) Medically unfit for current year	23
(g.) Exempted on grounds of religious belief	1

1,652