

3. If such average price for any quarter is 2s. a pound or over, the percentage will be increased by 10 for the ensuing quarter. If, however, the increase to be effected under this regulation is an increase from a figure of 80 per cent, the increased percentage for the ensuing quarter will be 100.

4. If such average price is below 1s. 3d. a pound in any quarter, the percentage will be reduced to 60 for the ensuing quarter.

5. If such average price is over 3s. a pound in any quarter, the percentage will be increased to 100 for the ensuing quarter.

6. In no case will the percentage be increased above a figure of 100 or decreased below a figure of 60.

Colonial Office, 25th October, 1926.

No. 42.

New Zealand, No. 231.

SIR,—

Downing Street, 30th October, 1926.

With reference to the Duke of Devonshire's despatch, No. 225, of the 30th October, 1923, and Lord Jellicoe's despatch, No. 13, of the 1st February, 1924, on the position of officers of the Regular Army Reserve of Officers resident in the Dominions, I have the honour to request Your Excellency to inform your Ministers that the Army Council have given this matter further careful consideration and now propose that the following principles shall be adopted in respect of all officers of the Regular Army Reserve of Officers, or the Territorial Army Reserve, resident in a Dominion:—

(a) All officers of the Regular Army Reserve of Officers or Territorial Army Reserve, temporarily resident in or domiciled in a Dominion are to be permitted to retain their commissions in the Regular Army Reserve of Officers or the Territorial Army Reserve (except as provided for below).

(b) In the case of a Dominion mobilizing its forces, or any part of them, and requiring the services of officers of the Regular Army Reserve of Officers or of the Territorial Army Reserve, the Council agree not to recall such officers as may be required by the Dominion concerned, on the understanding that no officer is to be compelled to serve in a lower rank than he holds in the Regular Army Reserve of Officers or in the Territorial Army Reserve.

(c) In return for (b) it is proposed that Dominion Governments should agree to release, when mobilizing, any particular officers of the Regular Army Reserve of Officers or Territorial Army Reserve whose services are specially required by the Council, and whose names have previously been communicated to them.

(d) In the event of mobilization taking place in this country, but not in all the Dominions, the Council are to be empowered to exercise their right to recall all or any of the Regular Army Reserve of Officers or the Territorial Army Reserve in any Dominion which is not mobilizing its forces.

(e) Officers of the Regular Army Reserve of Officers or the Territorial Army Reserve are to be permitted to hold commissions in the forces of the Dominion concurrently with their British Army commissions.

(f) An officer of the Regular Army Reserve of Officers or the Territorial Army Reserve is to be permitted to enlist voluntarily in the ranks of the forces of a Dominion, the Army Council agreeing not to recall him for service with the Regular or Territorial Army if the forces of the Dominion concerned are mobilized, unless he is specially required and the Dominion has been previously notified that he will be required by the Council in the event of mobilization.

During the services in the ranks of the forces of a Dominion of officers of the Regular Army Reserve of Officers and the Territorial Army Reserve of Officers their commissions are to be relinquished, but to be restored to them on termination of their period of enlistment, when they would also be reinstated in the Regular Army Reserve of Officers and the Territorial Army Reserve of Officers if still eligible.

The issue of retired pay to retired officers who, under Article 691, Pay Warrant, 1926, are officers of the Regular Army Reserve of Officers would be continued whilst they are so employed, except as provided in (g) below.

(g) Any deduction of retired pay of officers who may be employed with the forces of a Dominion in the event of mobilization should conform to the Regulations