

One hundred and one have proceeded on active service.

The increase of pay referred to in last year's report has since been granted.

Vacancies due to the absence of officers of the New Zealand Staff Corps and warrant officers and N.C.O.s of the Permanent Staff have been filled by the temporary appointment of officers and N.C.O.s of the Territorial Force.

All areas are at present commanded by Territorial officers, and the fact that the normal work of the areas has been carried on and recruiting for the Expeditionary Force has proceeded satisfactorily speaks well for the manner in which they have carried out their duties.

32. MEDICAL SERVICES.

The work done by officers of the New Zealand Medical Corps attending the annual camps has been excellent, although their numbers had been depleted by the demands of the Expeditionary Force. Except in one or two isolated cases there was not the same difficulty as in former years in obtaining the services of Medical Officers for the annual camps.

The training of the Field Ambulance has gone on as usual. All the companies are up to their full strength, and the men are most keen in their work. The sanitation in camps was satisfactory, and the teaching and experience of past years is now bearing fruit. The assistance of civil practitioners has been requisitioned in some instances in outlying districts in order to cope with the medical examinations of recruits for the Expeditionary Force. It was found necessary to abandon two of the annual camps on account of an influenza epidemic.

From experience gained in organizing the Medical Services for the Expeditionary Force, controlling and training them in camp, utilizing them to the best advantage for the requirements of recruiting, and keeping pace with the developments of the Territorial Force, it has become evident that the time has arrived for the appointment of a permanent Medical Officer on the Headquarters Staff to carry out the duties of Director of Medical Services. The satisfactory performance of these duties requires the undivided attention and all the available time of an officer of the highest qualifications. Under the present conditions of a small annual remuneration the Director of Medical Services can hardly be expected to sacrifice his private practice, which represents the major portion of his income, nor is the Department in a position to demand more than an equivalent of his services.

33. STRENGTH OF THE FORCES.

The strength of the New Zealand Defence Forces on the 30th April, 1914, was as under :—

Territorial Force	..	..	..	..	..	..	29,447
Senior Cadets	..	..	..	..	..	..	26,446
General Training Section	..	..	..	..	..	..	2,075
Rifle Clubs	..	..	..	..	..	..	8,770
Total	..	..	..	..	..	..	66,738

34. CHANGES IN ORGANIZATION OF THE FORCES.

Headquarters.

The reorganization of duties at Army Headquarters, recommended by the Inspector-General of the Overseas Forces, has been effected, and is detailed in tabulated form in Appendix D.

It will be observed that there are now only three heads of branches—viz., the Chief of the General Staff, the Adjutant-General, and the Quartermaster-General—instead of five, as formerly.

The duties of the Director of Ordnance have been taken over partly by the Artillery, Engineer, and Army Service Corps Inspectors, and partly by the Quartermaster-General, whilst those of the Director of Accounts come directly under the Quartermaster-General.

The duties of the Adjutant-General's Branch have, in common with other branches, been largely increased under war conditions. The additions include recruiting, mobilization, compilation, and upkeep of personal records, casualties, care and disposal of returned sick and wounded, discharges, pensions, and prisoners of war. This has necessitated the formation of Record, Casualty, and Discharge Sections. The work in these sections is carried out by a staff of civilian clerks under military supervision, and will greatly increase as the war progresses.

Districts.

District Staffs have been reorganized on the same lines as Army Headquarters. The Assistant Adjutant and Quartermaster-General has been replaced in the district by an Assistant Quartermaster-General, who has been given more responsibility in business and financial matters, with a view to relieving the District Commander, who should be free to give his whole time to his purely military duties. The General Staff Officer of the district continues to be responsible for training, and also carries out Assistant Adjutant-General's work in the district.

The geographical subdivision of the districts for military purposes has not been materially altered, but a further division of the areas into sub-areas has been found desirable, for the purpose of providing a definite command and centre for the Permanent Staff sergeant-majors.

The area-group has been redesignated a "group" (commanded by a group officer) and is divided as heretofore in most cases into four areas, two of which are under the command of an area officer. The area is subdivided into two or more sub-areas, the extent of which is dependent upon the geographical area that can be efficiently controlled by one sergeant-major (entitled a "sub-area sergeant-