17 H.—19.

Since the decision above referred to was given the requirements for officers became such that the Department, in consonance with the desire that had always existed, was enabled to appoint the majority of these Territorial officers, who previously constituted a surplus, to commissioned rank in

the Expeditionary Force.

The present policy is to take all Territorial officers into camp in a training-class as noncommissioned officers with a view to selecting the best qualified for commissions in the Expeditionary Force. This has been found by experience to be the best course, as a surplus has always to be considered, and it is found that less hardship is imposed if Territorial officers are first accepted in comparatively junior ranks with opportunities of advancement than if posted to camp with commissioned ranks with the possibility of subsequent reversion should they be found unequal to the standard of efficiency demanded, or surplus to the requirements for officers at the time.

The commissions of Territorial officers serving as non-commissioned officers or privates with the Expeditionary Force are respected, and their seniority in the Territorial Force goes on in the usual manner. On their release from the Expeditionary Force they return to the Territorial Force as officers irrespective of the fact that they may or may not have attained commissioned rank in the field, but if their Expeditionary Force service shows that they are unsuited to hold the King's

commission, their commissions in the Territorial Force will be liable to cancellation.

On embarkation, any Territorial officer who has not succeeded in obtaining a commissioned appointment to the Expeditionary Force will have his case brought to the notice of the Expeditionary Force authorities, who will be asked to keep him under observation and to report on his qualifications from time to time.

SECTION III.—BRANCH OF THE QUARTERMASTER-GENERAL TO THE FORCES.

40. Drill-Halls, Orderly-rooms, Stores, and Offices.

Owing to the curtailment of Territorial training in country areas a considerable reduction has been made in the number of halls, orderly-rooms, &c., rented for the purposes of the general training scheme. District commands carefully reviewed their accommodation requirements and reduced the same to a minimum, thus pursuing the present policy of restricting expenditure with due regard to the necessity of maintaining the Territorial Force and Senior Cadets on a satisfactory basis. Similarly, only essential work has been undertaken in respect to drill-halls and other buildings

belonging to the Department, being mainly confined to repairs necessary to prevent deterioration.

The increase in staff necessitated by the continuation of the war, the increasing volume of work, and the growing number of troops under the control of the Department have brought insistent demands for larger facilities and office accommodation particularly at the headquarters of districts and in Wellington. All essential requirements have been met, but the matter of meeting accom-

modation requirements becomes increasingly difficult.

41. Defence Vessels.

The Department possesses six vessels. The s.s. "Janie Seddon" is constantly employed in Wellington Harbour in the transport of supplies, &c., to the Somes Island internment camp and the

forts, and also on other Defence services, tendering transports, &c.

The s.s. "Lady Roberts" is fully employed in Auckland Harbour on similar services. This steamer has been overhauled during the year, and should be able to efficiently meet all demands. The gift launch "Iawai" is also employed at Auckland, and is a good auxiliary in the event of

an emergency, being frequently found useful, although too light to be reliable in very rough weather.

The launch "L" at Lyttelton meets Defence requirements at that port for a time, but the difficulty of having engine repairs effected has militated against her successful employment of late. These repairs have been arranged, and when completed the launch will again be able to carry out all

necessary work, except in very heavy weather.

At Port Chalmers the launches "W" and "A" are available for the harbour-defence work,

and meet all requirements.

42. RAIL, STEAMER (COASTAL), AND COACH TRANSPORTS.

No difficulty has been experienced in meeting all demands at ordinary periods for the concentration of Reinforcement drafts, despatching returned invalided troops to their homes, and in the transport of troops from and to camp in connection with their final leave. At holiday-times, especially Christmas to New Year, and Easter time, with so many of the general public travelling, the position is often difficult. Notwithstanding the curtailed facilities necessitated by reduced railway staffs, &c., the manner in which the difficulties have been overcome by the railway and steamship authorities is much appreciated. The failure of men to return by trains and steamers on allotted dates increases the difficulties, and it is due to the courtesy and consideration of the railway and steamship officials that the consequent dislocation of traffic arrangements is successfully met and dealt with.

The concessions granted by steamship companies and the majority of coach-proprietors throughout the Dominion in connection with the conveyance of troops on final leave have been continued, thus largely reducing the cost of transport. In many instances coach-proprietors carry the men free

of charge.

43. RIFLE RANGES.

The existing rifle ranges have been maintained so as to meet the requirements of the present training scheme.

3—H. 19.