

Expenditure.—The total net expenditure to the 31st March, 1918, was £39,041,720 15s., including pay of troops, cost of transport, supplies, equipment, and other charges in connection with the war, as well as the amount paid from War Expenses Account for relief purposes in Belgium and New Zealand.

Soldiers' Accounts.—In order to avoid duplication of work instructions have been issued to adopt in the Staff Paymaster's Office, London, an alteration in the system of keeping accounts of soldiers abroad which will mean that instead of items affecting pay which a soldier is entitled to draw abroad being posted to ledger accounts both in London and again in New Zealand, the accounts will be kept in London only and the corresponding acquittance rolls will also be retained there. In addition to a considerable amount of work being saved at this end, the danger of acquittance rolls being lost in transit to New Zealand is eliminated.

It is anticipated that under this arrangement the approximate position of a soldier's account at the date of his embarkation for New Zealand will be forwarded on the same transport as the soldier, so that provisional settlement of his account can be made almost immediately after arrival in New Zealand. It will still be necessary, however, to hold £2 for contingencies until the non-effective statement is received from London, in view of the fact that cases continue to come under notice where payments have not been entered in pay-books. The number of such cases, it is pleasing to note, is diminishing.

"Non-effective" statements of accounts should follow the soldiers within three months of their departure from England; and, as these statements will bear the certificate of the Audit Section in London, final settlement will be made on receipt of same in New Zealand, thus eliminating to a great extent the work at present necessary in the preparation of statements at this end.

The system of extracting from acquittance rolls by means of typewriters with adding-attachments has now been in force over twelve months, and the work of posting to soldiers' pay accounts is further advanced than at any other time in the history of this branch. As time goes on the position in this direction will improve to the extent that when the change to the system of keeping soldiers' pay accounts entirely in the London Office is commenced, the necessary posting of acquittance rolls on hand will be so far up to date that the work of balancing accounts as at the date of change-over can be speedily taken in hand.

Soldiers' Remittances.—The facilities afforded by the Department for forwarding remittances to soldiers are still being largely availed of, and the amount remitted to the 31st March, 1918, totalled £239,964 7s.

Soldiers' Hostels and Clubs.—The sum of £12,609 10s. 10d. has been contributed by the Government to the 31st March, 1918, to soldiers' hostels and clubs in the United Kingdom and New Zealand. In the United Kingdom these clubs exist at the principal hospitals and depots, and in London.

Regimental Funds.—Up to the 31st March, 1918, the sum of £3,699 has been paid by the Government to form the nucleus of regimental funds for those special units which do not participate in contributions from districts in New Zealand. Arrangements have now been made whereby the Advisory Board of the Federation of New Zealand Patriotic War Relief Societies will remit for regimental funds for troops in France £12,000 per annum, and for troops in Egypt £1,500 per annum.

Financial Assistance.—The total cost of financial assistance to the 31st March, 1918, was £72,894 1s.

War Loan Investments.—Facilities were afforded for soldiers to invest in the Dominion's war loan by the following means: (a) Direct payments to Staff Paymaster, London; (b) withdrawals from Post Office Savings-bank accounts in New Zealand; (c) allotments from military pay: the total amount of such investments being £16,822 to date.

Deceased Soldiers' Estates.—Valuable assistance has again been rendered by the Public Trustee, and a large number of estates have been settled during the year. Considerable trouble and delay have been caused through non-receipt of pay-books, due in some instances to loss by enemy action at sea in transit to New Zealand, and consequent uncertainty as to the completion or otherwise of the will form provided therein. This difficulty has, however, been overcome as from March last by a new system of obtaining from every man (a) a will duly completed on the prescribed form, (b) a statement that he has already made a will, (c) a statement that he does not desire to make a will. These are filed at Headquarters, London, and are forwarded to New Zealand immediately the casualty is notified. The will forms in pay-books are being cancelled from the same date, and the non-arrival of the books will no longer be a cause of delay.

63. ARMY SERVICE CORPS.

Only one Army Service Corps company went into annual camp as a unit, the other companies went into camp by detachments, where they carried out the supply and transport duties of the various camps very satisfactorily.

The Army Service Corps is at present about 40 per cent. under establishment, mainly because so many men enlist in the Expeditionary Force. Every effort is made to bring the units up to establishment, but the constant drain through enlistments renders it difficult to achieve the desired result. The particular difficulty which exists in filling the officers', non-commissioned officers', and artificers' positions is becoming more pronounced as the war proceeds.

64. SUPPLIES FOR TRAINING-CAMPS.

The supplies for practically all training-camps throughout the Dominion were obtained by contract either by the Munitions and Supplies Department, the Director of Supplies and Transport, or the Assistant Director of Supplies and Transport in each district.