15 H.—19.

The percentage in both cases will be increased according as appeals on hand are dismissed, lost men are found, &c., the increase being greater in the case of Class A men, as there are a greater number of "live" cases to be dealt with. As, however, only 60 per cent. of those C2 men re-examined by the C2 Board and sent to the C1 Camp eventually reach the Expeditionary Force camps, the true percentage of production of fit men is less than 35.37 per cent. in the First Division.

A better calculation is the following:—

First Division— Medically examined	••	• •	• •	••		66,674
Gone to camp as fit men Fit men under orders			••			19,788
rit men under orders	• •	• •	••	• •	• •	1,965
Add 60 per cent. of men sent into C1 Camp			••	••		21,753 $1,100$
						22 853

which works out at 34.27 per cent. of the total examined.

This does not give us a true basis of calculation. In fixing the percentage likely to be produced all wastage must be taken into consideration. Doing so, we find the percentage of production is as follows :-

First Division, Class A-

13,277 Total called up

Produced or under orders 2,183, or 16.4 per cent.

An all-round percentage of 23·15 may be accepted for all classes.

Voluntary recruiting has necessarily not been as great as before the application of the Military Service Act. Nevertheless, the response made to appeals for volunteers has been gratifying. Including Maoris, Rarotongans, other islanders, and New Zealand volunteers, approximately 9,500 have been medically examined since the 1st June, 1917, to date. Of these, over 6,000 have been sent to camp.

Men called up under sections 34 and 35 of the Military Service Act during the past year have numbered 149 and 400 respectively (including men called up during the previous year but medically examined during the current year). Of these, 65 and 300 (approximately) respectively have been sent to camp. The balance are men whose cases are still under consideration.

Fifty-one religious objectors were dealt with during the year. Regulations were gazetted providing for the employment of such men on agricultural work under the Agricultural Department, provided the men's appeals were allowed by a Military Service Board and the men signed the necessary undertaking. Of the fifty-one cases dealt with, twenty-five men have been sent to the Central Development Farm at Levin; twenty-three will be sent in as soon as accommodation arrangements have been completed; three cases are still under consideration.

36. DISCIPLINE

The discipline of the Territorial Forces has been satisfactory during the past year, and shows considerable improvement. There has been a further reduction in the number of those prosecuted for offences under the Defence Act as compared with the period 1st May, 1916, to 30th April, 1917.

The general discipline of the Cadets has also been satisfactory, and shows considerable improve-t. There has been a decrease in the number of prosecutions under the Defence Act as compared with the figures submitted for the period 1st May, 1916, to 30th April, 1917, except as regards prosecutions for failure to register, which show a slight increase on the figures for the period above mentioned.

There has been a decided improvement in the general behaviour of troops when on leave from the Expeditionary Force camps, and this, no doubt, is due to the presence and growing efficiency of the Military Police.

Returned soldiers (hospital and convalescent patients) have caused some trouble owing to inability to control the supply of liquor to these men, but legislation by means of War Regulations is being considered, and when gazetted will no doubt make a material difference as regards these offences and assist in the general control of these men.

37. DETENTION.

Subsequent to failure to pay fines inflicted by Magistrates for breaches of the Defence Act, fourteen Territorials and four Senior Cadets were placed in military detention during the period 1st May, 1917, to 30th April, 1918.

Military detention barracks have been established at Wanganui, the Defence Department taking over for the period of the war the civil prison situated in this town. These detention barracks are only for offenders of the New Zealand Expeditionary Force.

38. DISTRICT AND GROUP ORGANIZATION.

The policy, as indicated in last year's report, of replacing fit members of District Staffs by returned officers and other ranks has been continued, and District and Group Staffs are now to a very great extent composed of returned soldiers who have been invalided from the Expeditionary Force as unfit for further active service.