

The total number of Cadets to be entered annually depends on the number of officers likely to be required in the future for the New Zealand Division, with the additional numbers required to allow of New-Zealanders serving in H.M. ships in all parts of the world, thus affording them that opportunity for gaining experience in their profession which only such service can give. This number must be reconsidered from time to time, but for the present the number of officers of the Military Branch in the Division, plus 30 per cent. additional, is recommended as a basis on which to work. It is recommended that for the present the total number to be entered annually should not exceed eight. This number, if continued for several years, will produce more officers than will be required for the New Zealand Division, and therefore should be reduced when sufficient numbers have been entered to form a working basis. In addition to the above the ordinary mode of entry to the Royal Navy through the Naval Colleges at Osborne and Dartmouth, or by the special-entry scheme, if this should be retained, is always open for entry into the Royal Navy. Officers entered in this manner would be eligible with, but after, other New-Zealanders for service in ships of the New Zealand Division.

The courses of instruction for the rank of Lieutenant, and all specialist courses, should be taken in the naval training establishments in England.

10. *Engineer Officers.*—The course recommended in regard to the entry of Engineer Officers is that which has been adopted in the Royal Navy after many years' deliberation—namely, the common entry to the Naval Colleges at Osborne and Dartmouth, and specialization at certain periods of service.

11. *Promotion to the Rank of Mate.*—The procedure recommended in regard to promotion from the lower deck is that which is in force in the Royal Navy—i.e., candidates for the rank of Mate being selected from amongst warrant and petty officers.

12. *Accountant Officers ; Medical Officers.*—It is recommended that Accountant and Medical Officers should be entered on the General Lists of Accountant and Medical Officers respectively of the Royal Navy, the former taking their entrance examination in New Zealand and the latter in England or New Zealand as desired.

13. *Chaplains and Naval Instructors.*—Chaplains and Naval Instructors should be entered for temporary service under similar conditions to those appertaining to the Royal Navy as regards temporary service.

14. *Royal Marines.*—It is not recommended that a corps of Royal Marines should be established in New Zealand, as the numbers required do not warrant the formation of a corps of such small dimensions.

It is recommended, however, that for the present Royal Marines should form part of the complement of all vessels of the New Zealand Division, and that they should be lent by the Admiralty together with other naval ratings required.

15. *Pay and Emoluments of Officers.*—Owing to the fact that the scale of pay and allowances of officers of the Royal Navy has been recently largely increased, but that details of this increase have not yet been received, it is proposed to remark on this subject further than to recommend that the scale of pay, allowances, and pensions of the New Zealand Division should be based on those of the Royal Navy, due regard being paid to the relative cost of living in New Zealand and the Mother Country. It should be understood that the New Zealand Government is liable only for the pay, &c., of all officers serving in ships of the New Zealand Division, and the Mother Country for that of New Zealand Division officers serving in other parts of the Fleet, and those undergoing courses. The scale of pay prescribed for officers of the New Zealand Division is only to be paid to officers actually serving in ships of the New Zealand Division. Officers serving elsewhere should be paid at the rates obtaining in the Royal Navy, as all officers are on one General List.