

Staff work is divided into three branches, designated "G," "A," and "Q," the "G" Branch being responsible for training and operations, and the "A" and "Q" Branches for all duties formerly carried out by the Adjutant-General and Quartermaster-General respectively, and which are now under the control of the General Officer in Command Administration.

An endeavour is being made to train all Staff officers to be interchangeable between the various branches.

3. GENERAL REMARKS.

The work of the Department during the past year has been chiefly concerned with the demobilization of the Expeditionary Force, a task which has thrown a considerable strain on the administrative services.

All Home Service establishments, which had increased enormously during the war, have been cut down to the lowest possible limit, and further reductions are being made as rapidly as the diminishing war activities of the Department will permit.

Owing to the large numbers of sick and wounded who, on returning to the Dominion, still required further medical treatment, it has been necessary to maintain special hospitals, sanatoria, and other medical establishments under the control of the Defence Department. The Director-General of Medical Services and the Medical and Nursing Staff concerned have done excellent work, and endeavoured to do their utmost to ensure that all those under their care should receive the best possible treatment.

The Staff Corps and the Permanent Staff are the only branches of the Defence Department that have not been reduced. These units during the past year have been augmented in order to fill vacancies caused by deaths and disablements in the war, retirements due to age, sickness, and other causes, and to fill appointments previously held by British Army officers.

The success of any system of training in this Dominion depends very largely upon the efficiency of the Staff Corps and Permanent Staff, who provide the instructors for the Territorial and Cadet Forces; and I am pleased to report that these units were never more efficient than they are at the present time. The actual number of Permanent officers and non-commissioned officers that will ultimately be required to be maintained depends upon the future policy.

All officers and other ranks who served overseas have been exempted from further training, and on demobilization have been posted to the Reserve. It is very desirable that the services of as many as possible of these experienced officers and non-commissioned officers should be utilized for training the Territorial Force and Cadets, but only a small number have so far volunteered to serve on the Active List. The great majority are waiting until a new policy has been decided upon.

Without desiring to influence policy, which is the function of the Government and not that of the Defence Department, I would like to emphasize the following lessons of the war as applied to this Dominion, viz.:—

(a.) *An efficient Army can quickly be organized provided every man has had a limited amount of training, and there is available an ample supply of modern equipment and highly trained officers and non-commissioned officers.*

(b.) *The large percentage of the man-power found by medical examination to be physically unfit for service points to the necessity of a thorough course of physical training for all youths.*

I would urge that the Government should decide the future defence policy as soon as possible, in order that the Department may proceed with any necessary reorganization.

During the recent visit of His Royal Highness the Prince of Wales large numbers of Territorials and Cadets paraded at the various centres for inspection by His Royal Highness, who expressed his appreciation of the thoroughness and efficiency of all the military arrangements, of the smartness and efficiency of the troops and Cadets he inspected, and of the keenness and public spirit which caused many of the men to travel long distances at great personal inconvenience in order to attend the parades.

SECTION II.—DEMOBILIZATION OF THE N.Z.E.F., AND ADMINISTRATION IN CONNECTION THEREWITH.

1. DEMOBILIZATION OF THE N.Z.E.F.

1. Demobilization of the N.Z.E.F. was practically completed by the 30th April last, approximately eighteen months from the signing of the Armistice.

The following shows the disposition of this formation on the 1st June, 1920:—

Actual number embarked (including re-enlistment) ...	98,080	
Enlisted overseas ...	620	
	—	98,700
Killed ...	10,245	
Died of wounds ...	3,958	
Died, other causes ...	2,351	
Died in New Zealand before discharge ...	227	
	—	16,781
Discharged in New Zealand ...	79,377	
Discharged abroad ...	2,463	
Awaiting discharge in New Zealand ...	17	
<i>En route</i> to New Zealand ...	10	
Still abroad ...	52	
	—	81,919
	—	98,700

During the demobilization period the administrative services of the Defence Department have been working at full pressure in order to cope with the mass of detailed work involved, but the demands made upon these services have been successfully met, and all ranks have done their best to ensure smooth and efficient working of the demobilization scheme.

N.Z.E.F. Headquarters in London has been closed, but a small staff will be retained for a short time at the office of the High Commissioner to deal with war accounts and administration in connection with ex-members of the N.Z.E.F. who took their discharge in England.