

money for troops repatriated in Imperial-chartered and ex-enemy vessels as from the 1st April, 1919, which rates are to be based on the actual cost of running the vessels. Various other matters under negotiation with the Ministry of Shipping include recoveries from the latter for the use of New Zealand transports and hospital ships, the adjustment of accounts for coal supplied over the war period by both the Admiralty and New Zealand, and the settlement of accounts for bedding, life-saving appliances, &c., used by troops *en route* to New Zealand. A special officer attached to the High Commissioner's staff is engaged solely on the adjustment of transport accounts in London. Recoveries to be made from the Ministry of Shipping total over £500,000, while for services, &c., rendered to New Zealand there is approximately £400,000 due to the Ministry of Shipping. The final accounting of all adjustments is being carried out in New Zealand, where all matters of importance are referred before final settlement. Many of the claims for payment in London are compiled in New Zealand, where information covering the whole of the transactions relating to transportation of troops throughout the war period is recorded.

*Pay-ledger Accounts.*—The final overhaul and "closing" of all soldiers' pay-ledger accounts, which was commenced upon the completion of the issue of gratuities, is proceeding with a minimum staff of five ledger clerks, and involves the examination of 600 ledgers, containing approximately 100,000 soldiers' accounts, of which one-half has been completed.

*Regimental and Canteen Funds.*—The balance in hand from all sources to credit of these funds to date is £116,837 16s. 11d., and under authority of section 21 of the Finance Act, 1920, a Board has been appointed to administer the funds. This Board has declared its policy to be the preservation of the funds for the relief of distress in necessitous cases arising in the future among returned soldiers and the dependants of fallen soldiers.

*Illuminated Certificates, Scrolls, and Plaques.*—The issue of illuminated certificates of service to all men who served overseas is proceeding, and there are approximately thirty thousand still to be written and despatched. The issue of scrolls to next-of-kin of deceased soldiers is also proceeding, there being approximately fourteen thousand still to be disposed of, the issue of which will be completed by the 31st July. The memorial plaques to be issued to next-of-kin of deceased soldiers are not yet to hand from the War Office, but seventeen thousand of these have been shipped, and are expected in New Zealand at the end of July, and will involve considerable work in arranging for their despatch to those entitled to receive them.

The work of the office in despatching these various emblems of service is somewhat hampered by the failure of those concerned to notify changes of address; and the office records are somewhat interesting in this respect as an indication of the high percentage of migratory population in the Dominion.

Certificates issued by the War Office to those "mentioned in despatches" are still coming to hand in batches, and are being issued as received.

### 3. REVISION OF ARMY LIST AND REGULATIONS OF THE N.Z. MILITARY FORCES.

The New Zealand Army List, which, owing to the necessary restrictions on printing, has not been republished since 1918, is now quite out of date, but a new edition covering the reorganization of the Forces is in course of preparation and will be published at an early date.

The Regulations for the Military Forces of the Dominion, which have not been reprinted since 1913, are being carefully redrafted, and the new edition will be ready for publication before the end of the current year.

### 4. SUPERANNUATION.

The disability under which members of the N.Z. Permanent Forces have suffered in the past by being compelled to retire at fifty-five years of age, before becoming eligible to participate in the benefits of the Superannuation Fund to which they had contributed, has now been removed. The sum of £20,000 was paid into the Superannuation Fund out of the Defence vote last year in order to compensate the fund for the concession granted, whereby those officers of the Permanent Forces who are contributors to the Superannuation Fund may be superannuated on reaching the retiring-age laid down by the Military Regulations—viz., fifty-five years.

This concession has been highly appreciated by all concerned, and has been the means of removing a serious hardship and genuine cause of dissatisfaction.

### 5. MOBILIZATION STORES.

The great need for mobilization stores, referred to in my last report, has been partially provided for by the transfer of Burnham Industrial School and adjoining area from the Education Department to the Defence Department, for use as an Ordnance depot and training-area for the Southern Command. The necessary alterations to the buildings and certain additions are being gradually made, the object being to ultimately provide sufficient accommodation for all the necessary military stores for the South Island. Provision for expenditure on these services is made under the heading "Public Works Fund—Contingent Defence."

An Ordnance depot and training-area is urgently needed in the Auckland District for the Northern Command, and later on similar requirements should be provided for the Central Command; meanwhile the stores for the latter are accommodated in Trentham Camp, and the mobilization stores for the Northern Command are temporarily housed in huts at Featherston.

### 6. SMALL-ARM AMMUNITION.

The expenditure for small-arm ammunition supplied by the Colonial Ammunition Company for last year was £95,014. Negotiations for a new contract providing for a smaller expenditure are now in progress. The cost of 1,000 rounds small-arm ammunition manufactured in the Dominion is now £9 18s. 9d.

### 7. DISPOSAL OF SURPLUS STORES.

Owing to there being a large accumulation of military clothing and stores surplus to requirements, arrangements were made to dispose of these by retail sales to the public. The result has been satisfactory both to the public and to the Government. The credits from stores disposed of by sale up to the 30th June, 1921, total £137,775.