

REGISTRATION.

5. Registration is to be completed by the 30th June, 1911, when the necessary quotas required to complete the Territorial Force will be declared, and the training of those not called upon to serve in the Territorial Force will be put into operation.

A copy of the Proclamation giving effect to the Act is to be issued forthwith.

In the meantime, Officers Commanding Districts will take steps to insure that the following points are understood by all concerned throughout their districts:—

- (a.) That young men who were over eighteen and under twenty-one years of age on the 2nd November, 1910, may, if passed as physically fit, at once and without waiting for selection volunteer to join the Territorial unit of the branch in which they wish to serve, nearest to their place of residence; it being understood that those who do not serve in the Territorial Force will be trained in the General Training Section when the registration is completed.
- (b.) That all officers, warrant officers, N.C.O.s, and men who were over the age of twenty-one on the 2nd November, 1910, now serving in the Volunteers may, if they so desire, continue to serve in the Territorial Force until the establishments are completed and maintained by the automatic action of the quota system, described in Memorandum of Defence No. H/19 A/1910, a copy of which is in your possession.

TRANSITION PERIOD.

6. The process of transferring the Volunteer into the Territorial Force must be gradual, and the continuation in the service for the next three or four years of those now serving is most desirable, especially because,—

- (a.) Many units are still burdened with liabilities which must be paid off.
- (b.) The exemption of all men who attained their twenty-first birthday on the 2nd November last will fill the Force with very young men.
- (c.) It will be some time before full effect can be given to the system of registration and the new regulations.
- (d.) Those now serving who would become entitled to long-service decorations within the next three or four years will be able to earn them.

CAPITATION GRANTS.

7. Referring to paragraph 6 (a) above, it has been decided to continue the present system of capitation grants for the financial year 1911–12, to enable liabilities to be paid off as far as possible.

O.s.C. Districts are to warn the officers commanding all corps and units now receiving capitation grants that they must prepare by the 31st March next a clear report of the financial position of their unit, together with a correct statement of the revenue and expenditure of their unit for the year 1910–11, and be prepared to produce the same, with all books and receipts, for inspection and report by the Audit officers.

This audit will be held during April and May next, and annually thereafter, as laid down in sections 11 and 12 of the Defence Act of 1910. The object of this audit is to facilitate the liquidation of liabilities by the end of the financial year 1911–12, after which date clothing and equipment will be issued by the Defence Department to units in kind.

It must be distinctly understood that the capitation grants for the years 1910–11, 1911–12, are only to be devoted to the liquidation of debts incurred in strict accordance with the conditions under which the capitation grants were made. No part of such grants is to be used for paying off debts incurred by unauthorized expenditure or expenditure not approved by Audit.

ORGANIZATION IN DISTRICTS.

8. Given the approximate boundaries of area-groups and areas, and the number and nature of the units to be furnished and maintained in each district, it remains with O.s.C. Districts to arrange what existing units in their district shall be amalgamated or disbanded, and how and where the new units shall be raised, so as to produce the required establishment. For instance,—

In the Otago District the four battalions of Infantry now existing will form the Otago Infantry Brigade. One regiment of Mounted Rifles must be raised to form the Otago Mounted Rifle Brigade.

In Canterbury and Nelson District the amalgamation of the two Christchurch City battalions completes one battalion, the present South Canterbury becoming another, the Nelson Group providing a third, a fourth to be raised in the group north of Christchurch to complete the Canterbury Infantry Brigade. The present three regiments of Mounted Rifles to be amalgamated to form 1st and 2nd Regiments, and the Nelson Regiment to form the 3rd, completing the Canterbury Mounted Rifle Brigade.

In the Wellington District the necessary amalgamations have been effected to complete the Wellington Infantry Brigade and the Wellington Mounted Rifle Brigade.

In Auckland District one battalion in Auckland City and one battalion in the Thames at present exist, one battalion remaining to be formed north of Auckland, and one battalion in the south and west group to complete the Auckland Infantry Brigade. The four regiments of Mounted Rifles to be reformed into three regiments to complete the Auckland Mounted Rifle Brigade.