

withdrew their previous acknowledgment of the debt to New Zealand. A strenuous contest has been continued upon points of fact which are indisputable, and there is now every prospect that some settlement of the matter will be effected, advice having recently been received from Australia of the proposed visit of the Hon. Minister of Defence to New Zealand to discuss the matter with a view to settlement.

The above outlines some of the main items which show the eminently satisfactory results that have been obtained in reducing war expenditure. Savings in many other directions were also effected, one notable instance being rebates totalling £87,000 from the Imperial Comptroller of Customs for duty on foodstuffs shipped from New Zealand and purchased in England for the consumption of New Zealand troops in the United Kingdom.

(b.) *War Records, Battle Honours, and Medals.*

The office which was formerly known as the "War Accounts and Records Office," having now ceased to deal with war accounts, has been reorganized, and is now known as the "Base Records Office."

Hitherto the cost of the War Accounts and Records Office has been a charge against War Expenses, but it is understood that it will become a charge against the Defence vote this year, and it is proposed to ask that provision be made for this in the supplementary estimates.

During and for some time after the war, separate files and papers in connection with members of the N.Z. Expeditionary Force were held in various offices and camps throughout the Dominion and at New Zealand Expeditionary Force Headquarters, London. All of these files, &c., with the exception of the medical papers, which have been passed to the Pensions Department, have now been taken over by Base Records, and it is intended, when opportunity permits, to amalgamate these various files so as to have one complete file for each soldier, which will greatly facilitate reference. Approximately 830,000 files and miscellaneous papers are thus involved. Despite the fact that over six years have elapsed since the termination of the war, frequent reference to the files of individual members of the N.Z. Expeditionary Force is still necessary in order to answer inquiries from various sources.

With the assistance of Regimental Committees set up for the purpose, the claims of New Zealand regiments for battle honours for service in the Great War have been completed and submitted to the Army Council for approval.

The number of unclaimed war-medals is being steadily reduced, but there still remains a considerable number which, in the absence of the correct addresses of those entitled to them, cannot be issued.

I have the honour to be,

Sir,

Your obedient servant,

C. W. MELVILL,

Major-General,

Commanding N.Z. Military Forces.

APPENDICES.

APPENDIX I.—TABLE SHOWING STRENGTH OF NEW ZEALAND MILITARY FORCES ON 1ST JUNE, 1925.

(a.) N.Z. PERMANENT FORCES.

Unit.	Officers.		Other Ranks.	
	Permanent.	Temporary.	Permanent.	Temporary.
N.Z. Staff Corps	64	..	..	..
N.Z. Permanent Staff .. .. .	..	..	121	..
Royal N.Z. Artillery	14	..	105	..
N.Z. Permanent Air Force	4	..	12	..
N.Z. Army Ordnance Corps	6	..	97	11
N.Z. Army Pay Corps	5	..	11	..
N.Z. Permanent Army Service Corps .. .. .	..	1	5	12
N.Z. Army Medical Corps	1	..	1	..
General Duty Section .. .. .	..	..	16	2
Reservé .. .. .	..	1	..	..
Totals	94	2	368	25