

The major points in connection with Defence policy were announced by the Minister of Defence last April. Our Armed Forces will be equipped in such a manner as to enable us to meet our defence obligations and to co-operate with the British Commonwealth in a general defence plan. The policy provides for:—

The maintenance in commission of one cruiser, six anti-submarine vessels, one surveying vessel, auxiliary minesweepers and smaller craft, with one cruiser in reserve.

The establishment of a well-trained and equipped Territorial Force organized and instructed by a small and efficient Regular Force.

A Regular Air Force consisting of five squadrons—two being long-range bomber reconnaissance squadrons, one fighter, one transport, and one a flying-boat squadron, with the necessary ancillary engineering, equipment, and training units. The Regular Air Force will be supported by a Territorial Air Force, Air Training Corps, and an Air Force Reserve.

Associated with the three fighting Services will be an important Defence Scientific Corps to ensure that the latest developments in the scientific world will be incorporated in the plans for defence.

For the first time in our history the Women's Services, which played such an important part during the recent war, have become part of the Regular Forces.

It is proposed to establish an Air Defence Fund, to the credit of which it is intended to place £1,000,000 this year and substantial amounts in succeeding years. The cost of modern first-line aircraft, when they become available to New Zealand, is likely to be heavy and would otherwise have to be financed in the year of purchase, thereby either placing an undue burden on the Consolidated Fund at that time or necessitating the use of loan-moneys for defence purposes. It is sound policy to build up a special fund to meet this inevitable expenditure.

Our maintenance of an active Force overseas will virtually cease with the return of our Army and Air Forces from Japan this year.