

order to improve matters in this respect, gymnasia should be established; with an attractive as well as a useful course much benefit, both directly and indirectly, would be acquired.

Endeavour is being made to inaugurate challenge shields for all branches of the Volunteer Force for efficiency tests. To carry this out the sum of £163, which Government has undertaken to subsidise £1 for £1, is required. An appeal made to the civil authorities in each district has resulted in the following amounts being collected: Wellington District, nil; Auckland District, £17 10s.; Canterbury District, £100 (donated by Mr. G. G. Stead); Otago District, £7 2s.; Nelson District, nil. This result does not indicate a great interest on the part of the public in the efficiency of the Volunteers. The competitions for the shields in the cases of the Field and Garrison Artillery Volunteers were carried out last year, with very satisfactory results. The reports on these are contained in Appendix I, and the conditions for challenge shields for the other branches of the Force in Appendix II.

Field firing on an extended scale was, for the first time in New Zealand, carried out last Easter at several centres in each district. In some cases reality as regards the situation, and execution of the practice as it would be carried out on service, was sacrificed to over caution, presumably for fear of accidents; but in future exercises of a similar nature an improvement in this may be confidently looked for. The results on the whole were, considering the exercise was new to the very large majority of those present, satisfactory. To make Easter manoeuvres of real value to the Force, however, attendance must be made obligatory, and the Saturday declared a statutory holiday for defence purposes. I have recommended that a Manoeuvre Act should be submitted for consideration of Parliament; this is essential if satisfactory instruction is to be carried out, especially at the larger centres.

While much remains to be done towards educating the public to a sense of their requirements as regards defence, it is very gratifying to find that much is done by certain individuals towards encouraging Volunteering. I may mention as an instance that this year in North Canterbury 900,000 acres of land were placed at my disposal for manoeuvres; the gentlemen who did so also generously volunteered to supply mutton to such troops as might be assembled, free of cost. Many individuals, too, very liberally give trophies and money prizes for shooting, and otherwise assist towards encouraging the Volunteers.

The defence scheme has been revised and brought into line with existing local conditions. The remarks also of the Colonial Defence Committee in respect to this matter have received due attention.

The Defence Act still requires amendment, and it is hoped such portions as are found unsuitable may receive revision.

The establishment of half-yearly conferences of Volunteer officers has been productive of most satisfactory results, and has also gone far to establish a closer touch between the various grades and branches of the Force than previously existed. Officers Commanding Districts confer with officers commanding units on any points they consider bearing on the welfare of the Defence Forces, and these are carefully considered by the Commandant in company with Officers Commanding Districts, and their recommendations submitted to the Hon. Minister of Defence.

The command of a division of Garrison Artillery and of a battalion of Mounted Rifles and Infantry is now limited to five years. Under the old system the command was interminable, causing stagnation and its consequent evils.

The conference of Officers Commanding Districts has strongly recommended that the Act applying to the election of officers should be altered, and that Imperial custom be observed in this matter. In every report I have rendered I have strongly advocated this, and pointed out the evils of the present system; so far, however, nothing has been done to effect a change in this most important matter.

The establishment of an educational system to take the place of the late School of Instruction is a question which should receive very early and serious consideration. I have recommended that the services of a Staff College officer for each Island should be obtained, and that these officers should carry out, so to speak, peripatetic courses all the year round; much also could be done by a system of instruction by correspondence, which they could easily inaugurate. The want of the means for improving themselves is much felt by Volunteer officers, and these should most certainly be afforded them. The Volunteers are intelligent enough to realise that to be trustworthy their officers must be efficient, and thus they will all the more highly appreciate the properly trained officer. Trust, too, in their leaders engenders the best kind of discipline, which is intelligent obedience to power. I have shown, too, how the cost to the country would not be increased by the engagement of officers to carry out this work.

The pay of staff and other officers must be considered. I have frequently urged that the scale of pay should be fixed and adequate. At present there is no system as regards pay; it is entirely at the discretion of the Hon. Minister of Defence what remuneration an officer receives for his services, and the pay is such that the wonder is any one is found to accept appointments. Officers' pay should enable them to live as befits their position, and to allow a margin for insuring their lives, and, if they choose to do so, to save a little. It must be remembered they have no pension to look forward to, and they cannot engage in any civil or business occupation, so have no means of making money to provide against the time when they must retire.

As regards pension, the Defence Department should be brought under a scheme similar to that pertaining in the Police and Railway Departments. It reflects but little credit on the appreciation or generosity of a country to turn its servants adrift after they have faithfully performed their duties—at times arduous and dangerous—without any provision for themselves or their families.

It is to be hoped that the suggestion of the Imperial authorities be agreed to that a system of an interchange of officers may be established. By this means the colony would have the benefit of the services of Imperial officers, and colonial officers would receive training with Imperial