

19. The amount expended by the New Zealand Government on naval and military defence for each of the last ten financial years is as follows:—

Year.	Naval.				Military.			
	Contribution to the Admiralty.	Battle-cruiser.		Total Naval Expenditure.	Paid out of Consolidated Fund.	Paid out of Public Works Fund.	Total Military Expenditure.	Total Defence Expenditure.
		Contribution paid out of Loan.	Interest and Sinking Fund paid out of Consolidated Fund.					
	£	£	£	£	£	£	£	£
1904-5 ..	40,000	..	..	40,000	188,254	49,103	237,357	277,357
1905-6 ..	40,000	..	..	40,000	159,459	36,869	196,328	236,228
1906-7 ..	40,000	..	..	40,000	152,765	16,415	169,180	209,180
1907-8 ..	40,000	..	..	40,000	176,426	21,153	197,579	237,579
1908-9 ..	40,000	..	..	40,000	195,685	18,063	213,748	253,748
1909-10 ..	100,000	..	..	100,000	190,346	10,349	200,695	300,695
1910-11 ..	100,000	489,289	8,904	598,193	205,269	8,936	214,205	812,398
1911-12 ..	100,000	605,711	91,687	797,398	401,870	11,581	413,451	1,210,849
1912-13 ..	100,000	525,000	103,102	728,102	505,267	24,129	529,396	1,257,498
1913-14 ..	50,000*	69,035	126,995	246,030	488,569	30,725	519,294	765,324

* The balance of the £100,000 due for the year 1913-14 was, at the request of the Admiralty, not paid until after the 31st March, 1914.

N.B.—The total cost up to the early part of June, 1914, of the battle-cruiser was £1,698,035; the annual payments of interest and sinking fund will cease in approximately sixteen years' time.

II. MAIN FEATURES OF THE EXISTING SCHEME.

The Influence of Peace.

20. All military institutions should be built so as to be as peace-proof as possible: if they are to stand the strain of war it is essential that they should offer no foothold to the steady sapping and mining of politics. Under modern conditions the aspirant to public service can only get there by being in the majority, and that majority are attracted by things which catch the eye, but are repelled by any technicality. A mass of inadequately trained men may impress an electorate very favourably; it is difficult, nay, almost hopeless, to enthuse them by the purchase of rifle ranges. Forts reassure the city during perilous times, but once the danger has passed it is discovered that big guns break window-panes. Then in due course the practice is discontinued, and the guns, though they may appear unchanged, have lost the best part of their value—namely, the skill and self-confidence of the men who stand behind them. Let peace only endure and these same sort of sentiments extend at last to the personnel. A cautious administrator appeals to the representatives of the people more than a leader of character and boldness. So at last we reach the final stage when great commands are given to "good peace Generals." Military institutions have then become a name, an illusion. Actually they will have ceased to exist.

Study of War-conditions essential.

21. Such are the lessons of experience, and they teach us that the foundations of the military institutions of a country should be so well and truly laid upon the rock of reality that the upper stories of the building shall offer the maximum resistance to the disintegrating forces which are certain, as time goes on, to try persistently to undermine them. The moment war-conditions are lost sight of the mind of the nation will begin to suffer from dangerous illusions. Especially is this the case where the form taken by defence is that of a national Militia. Here there is no room for peace commanders, peace soldiers, or peace systems. The time devoted to training is so limited and students of war are so few that all classes, civilians as well as militiamen, are bound to quit the rails of efficiency the moment the system practised in peace ceases to be a war system pure and simple.

Responsibility of the Soldier.

22. Hence it comes that a weighty burden of responsibility must ever rest upon the shoulders of the military chief or chiefs charged with the direction of the affairs of a citizen army. The position demands some of the intuitions of statesmanship, as well as a competent grasp of the true meanings of war. There must be quickness to comprehend the limitations imposed by political and social factors; temper and self-restraint to enable parleys to be conducted with the faddist and the miser. For lack of such quickness and such temper brave soldiers pitchforked suddenly into high place in the councils of a democracy may in less than no time undo all the hard work of their predecessors. Theoretically the blunt soldier asks for perfection and accepts nothing less. Actually he gets just as much as he can, by his own pertinacity and enthusiasm, coax from the pockets of his employers.