

with which this separation of the instructor from the unit has been effected, and any one who remembers the old Volunteer system and the limpet-like devotion with which the unit then hung on to the skirts of its Permanent Staff must realize that this achievement has not been attained without considerable firmness on the part of the higher authorities.

Result of such Detachment.

28. As a consequence, the bulk of the Permanent instructors are available for the training of the Cadets, as well as of the Citizen Force, and I have good reason to suppose that the interests of the Cadet in this connection are adequately safeguarded. Had not some such arrangement obtained, the large and very creditable Cadet parades I witnessed during the first fortnight of my visit would have been impossible. These parades were organized by Area Commanders and Permanent instructors, and, as I have already stated, they took place at a time when the whole Citizen Force was embodied. In any other Citizen Force I have inspected, the bulk of the instructors would at such a moment have been out with the Territorial Force. The economy of this system, from a purely financial standpoint, is self-evident. With its effect on the units of the fighting arms I deal later on in my report.

Departmental Corps.

29. I must conclude my preliminary review of the military institutions of New Zealand by a special reference to the Railway battalions and the Post and Telegraph Corps. These bodies form a brilliant object-lesson in the keenness of the nation to help in solving the problem of defence. With comparatively little assistance from the military authorities, save in the matter of uniform, arms, and equipment, two great State Departments have set to work in real practical fashion to organize themselves for war. As a result, with a minimum of cost to the State, two bodies of highly skilled experts have been added to the establishment—assets of the utmost military value. A splendid example indeed. May every portion of the Empire recognize its full significance.

III. HEADQUARTERS ORGANIZATION.

Responsibility of the Commander.

30. In New Zealand the functions of command and of military organization are combined in one man—the General Officer Commanding the Forces. Such is the theory, and such also is the practice. One man is responsible to the Minister of Defence for the training of the troops and their discipline, for the Territorial recruiting organization, and for the efficiency of coast defences, and the same man is answerable to the Treasury for the correct expenditure of every pound voted by Parliament for military purposes.

The same system goes right through the organization. Each District Commander is similarly responsible for all financial as well as military arrangements within his own district. The reality of this responsibility has forcibly been brought to notice within the last month. Two District Commanders have had their pay stopped by the Treasury because certain vouchers due from their districts were not forthcoming.

The justification for so sharp and painful a rap over the knuckles may seem to the civilian clear enough. It is intended to make the Commanders realize and live up to the serious financial responsibility which overhangs them from the cradle of their appointment to its grave. But does the punishment really meet the crime—i.e., does it produce the best military results? What are these results? Why, naturally enough, that District Commanders are becoming more and more immersed in administrative detail. The pounds shillings and pence are receiving the closest possible attention—so close, indeed that hardly a moment remains available to attend to those purely military duties which are the sole object of all this vast expenditure.

Command and Financial Responsibility.

31. "We strongly hold that the training and preparation of His Majesty's Forces for war should be the first and, as far as possible, the undivided duty of General Officers Commanding-in-Chief. . . . The principle of the division of training from administration, which we have sought to apply throughout our scheme, appears to us to be fundamental." These words, taken from the report of the Esher Committee published in 1904, are but an echo of the Duke of Wellington's protest before a Royal Commission seventy years earlier, that "The Commander-in-Chief has, and can have, nothing whatever to say to finance." In Great Britain to-day the principle is fully accepted that the administrative officer has a personal responsibility in financial matters which the commander does not share. In Germany, and in most modern armies, the same principle holds good.

Incidence of Financial Responsibility.

32. After examining most carefully into the working of the military machine in New Zealand both at Headquarters and in districts, and after conferring with the Auditor-General and the heads of the Treasury, I feel convinced that many advantages will be gained if a system can be devised whereby commanders of troops, from the General Officer Commanding the Forces downwards, can be relieved in some measure of the financial responsibility now resting on their shoulders. In Australia, where conditions are in many respects analogous to those in New Zealand, I had to face a similar problem, and I arrived at the definite conclusion that its only solution lay in bringing the financial and the administrative branches of the Army together, as a Department, under one head, on whom and on whose