

6. ARMY LIST.

The New Zealand Army List has not been published since November, 1918. Its discontinuance has been due to various causes, including the need for economy in the use of paper and the various extensive changes in this list rendered necessary by the demobilization of the N.Z.E.F. As a temporary measure an abridged list is now periodically issued, and a complete list will not be published until the end of the present year.

7. AVIATION.

The sum of £25,000 was voted last year for aviation. Of this amount only £8,368 has been expended.

No definite policy having yet been laid down in regard to aviation, nothing has been done by this Department beyond—

- (a.) Registering the qualified pilots who are in New Zealand:
- (b.) Arranging for the care and maintenance of the four Government aeroplanes and stores now stored at the Sockburn Flying School:
- (c.) Arranging for the transportation from England of the following machines which have been given by the British Government: Twenty avros, nine D.H. 9's, two Bristol fighters, two D.H. 4's:
- (d.) The building of two hangars (not yet completed) for Government machines in the Sockburn aerodrome:
- (e.) Giving financial assistance to the Kohimaramara Flying School pending a definite Government policy in regard to civil aviation.

I consider that for some time to come aviation should in this country be developed on civil rather than on military lines, and that provision be made for its expansion for military requirements in a national emergency. With this object an Air Board, which comprises representatives of various State Departments concerned, has been set up to consider all questions of aviation and advise the Minister.

8. COMMITTEE OF DEFENCE.

Hitherto the Defence Department has been concerned only with the problem of land defence, involving questions concerning the organization, training, and employment in war of the Land Forces. With the introduction of a New Zealand Navy and the probable future development of aviation, the problem of defence now involves the use of sea, land, and air Forces; therefore, in order to ensure effective co-ordination of these services, and of the New Zealand defence scheme with those of the other parts of the Empire, a Defence Committee has been formed.

9. EXPENDITURE.

Previous to the war the annual expenditure on defence was approximately £490,000, or under 10s. per head of the population. This amount represents approximately 6·44 per cent. of the total expenditure of all Departments of the State, whilst that for financial year ending 31st March, 1920, represents only 4·05 per cent. It should be borne in mind that the Defence Department, in common with all other Departments, is affected by the decreased purchasing-power of money and the rise in wages. Consequently the pre-war system of training cannot now be carried out without incurring proportionately increased expenditure.

As an illustration of the increased cost of materials, small-arms ammunition which in 1914 cost £6 3s. per 1,000 rounds now costs £9 10s., and a further increased price has been asked for—viz., £10 5s. per 1,000. The annual expenditure for small-arms ammunition in 1914 was £30,000, whereas the present annual expenditure is £100,000, or nearly one-fifth of the total vote.

Estimates for the current year totalling £550,893 have been prepared for Parliament. These estimates do not provide for annual camps, otherwise an additional expenditure of £150,000 would be necessary.

The expenditure from the Consolidated Fund for defence purposes for the past year was £502,465, being £26,260 under the amount appropriated by Parliament.

10. REORGANIZATION.

The experience gained in carrying out the present system of training shows that—

- (a.) The attempt to carry out training in sparsely populated districts has been expensive, unproductive of efficiency, and very burdensome to the trainee and to his employer.
- (b.) The limitation of training to a Territorial Force having a maximum establishment of 30,000 has resulted in over 50 per cent. of those who are liable under the Act receiving no training, which has caused great dissatisfaction, while the physically unfit who would benefit most by a course of physical training have been exempted.

The experience during the war shows that—

- (a.) The average New-Zealander, if physically fit, can soon be trained sufficiently to enable him to take his place in the ranks of a unit that has well-trained officers and non-commissioned officers, but that officers and non-commissioned officers require a much longer training.
- (b.) A very large proportion of the young men are not physically fit for active service, but that a large proportion of these can be made fit and almost all much improved by a few weeks' course of physical training.
- (c.) Well trained and disciplined units always show a lower sick-rate and casualty list than poorly trained and disciplined units operating under similar conditions.
- (d.) Delay in mobilizing an adequate force results in possible loss of success and in certain extra expense and loss of life by prolonging the war.

It is for the Government to decide on the future policy of the Defence Force, but I would urge that when considering the immediate need for economy the vital necessity for efficiency should not be overlooked. Men of the type of our New Zealand soldier, even when partly trained and poorly equipped, can be trusted to do well and to succeed if possible, but in actual war deficiencies in training and equipment must always be paid for with men's lives.

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