

No. 382.—Petition of JAMES HARTLEY, of Wellington.

For a grant of £1,000 as compensation for injuries received whilst serving in the Defence Force.

I am directed to report that the Committee is of opinion that this petition should be referred to the Government for consideration.

28th October, 1922.

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No. 310.—Petition of WALTER REYNOLDS, of Christchurch.

For compensation for injuries received whilst on military duties.

I am directed to report that the Committee is of opinion that this petition should be referred to the Government for consideration.

28th October, 1922.

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No. 342.—Petition of SYDNEY TOVEY, of Wellington.

For compensation for alleged neglect in treatment for injuries received while on active service during the war.

I am directed to report that the Committee has no recommendation to make with regard to this petition.

28th October, 1922.

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REPORT ON STATEMENTS BY COLONEL McDONALD.

THE Defence Committee, having heard the evidence of Colonel McDonald, Colonel Nichols, and also of responsible officers from the Defence, Treasury, and Audit Departments, finds:—

1. That in 1918 a number of obsolete rifles of various antiquated patterns held in the charge of the Defence Department were given to Colonel J. Cowie Nichols, C.B.E. These rifles were reported to be of no use to the Department, and were despatched to Colonel Nichols, who has paid all expenses in connection therewith.

2. That in 1920 the Department established a museum of old arms, and found that about twelve of the rifles given to Colonel Nichols would be suitable for museum purposes, and, on the assumption that the rifles were on loan, asked for their return. On ascertaining that the rifles had been handed over unconditionally to Colonel Nichols the Department withdrew its request.

3. That in 1918 two obsolete muzzle-loading guns, which had been discarded from the Otago coast defences, were occupying space at Port Chalmers which was urgently needed by the Shaw, Savill, and Albion Company. Colonel Nichols requested that he be allowed to take these guns. As they had been offered to local bodies and been refused by them, Colonel Nichols's request was acceded to by the Defence Department. Colonel Nichols presented one of the guns to the Oamaru Borough Council, and the other he had taken to his home. All cash expenditure by the Government was borne conjointly by the Shaw, Savill, and Albion Company and Colonel Nichols. A few Permanent Artillery men were, however, used to move the guns at Port Chalmers, and some technical Royal New Zealand Artillery personnel were employed to mount them on their permanent sites at Oamaru and Colonel Nichols's residence respectively. The Defence Department subsequently considered that a charge should be made for use of horses and for wages of the Royal New Zealand Artillery men employed in mounting the guns. The matter was referred to the Solicitor-General, who advised that Colonel Nichols was not liable for this expense. In view of this advice the Department took no further action. There was no cash expenditure from public funds involved.

4. It is clear from the evidence that Colonel McDonald does not charge the Minister of Defence or his Department with irregularities or maladministration.

5. All stores alleged by Colonel McDonald to be missing have been audited by the Government Auditor, and properly written off in accordance with the authority of Parliament. The majority of the stores referred to were not actually missing, but had been used by the New Zealand Expeditionary Force and taken overseas; the hurried mobilization in 1914, and the transfer of responsible officers for service in the war, being the chief causes of apparent deficiencies in the stores accounts. A large surplus of stores was discovered, but these were not allowed by regulations to be credited against shortages.

6. The shortage of arms and equipment mentioned by Colonel McDonald took place between the years 1911 and 1920. The causes contributing to these shortages were—(a) Want of system of audit and control of stores then in force; (b) the mobilization of the Expeditionary Force and the consequent disorganization in the country.

7. The lost stores were written off in 1920 at their depreciated value, amounting to £26,000, leaving £3,000 yet to be written off this year.

8. Surplus equipment exists to the value of £8,914 4s. 6d., which should be offset against the losses.

9. A system of audit and control of stores has now been inaugurated, which should prevent losses in the future.