

(c.) Quarters.

Considerable inconvenience and dislocation of work have been caused through the absence of suitable married quarters for personnel employed at Trentham and Burnham. Cottages now being erected at Burnham and the conversion of certain buildings at Trentham will relieve the position considerably, but further quarters will have to be provided in the near future.

(d.) Drill-halls.

A number of drill-halls which are not at present required in consequence of the closing of certain drill-centres have been leased to local bodies at peppercorn rentals, such local bodies becoming responsible for the maintenance of the halls. On the other hand, there are several active drill-centres where the drill-hall accommodation is quite unsuitable, others where none exists at all. The rentals necessary to secure suitable accommodation make it an economical proposition to provide new buildings, and proposals will be made in this direction.

Owing to the financial situation of the past three or four years little money has been spent in repairs and renovation of drill-halls, and many of them have in consequence fallen into a state of disrepair. Considerable expenditure in this connection must be faced in the near future.

(e.) Rifle Ranges.

Rifle ranges have been maintained during the year. Some ranges have become surplus to requirements in consequence of the closing of drill-centres, and in such cases they have been handed over to Rifle Clubs for maintenance, or closed down altogether. A new rifle range is urgently required at Gisborne.

(f.) Stores and Equipment.

Stores and equipment generally are in a satisfactory position, but in consequence of the unsuitable accommodation they are subject to considerable deterioration.

The capacity and efficiency of Ordnance workshops have been considerably increased during the year, chiefly by the installation of new machinery; and there is now every reason to hope that arrears of work which were accumulating will shortly be overhauled, and that the deterioration which was threatening material, vehicles, &c., through unavoidable lack of attention will now be prevented.

The system of accounting for stores is proving successful, and everything in this connection is quite satisfactory. Few losses occur.

The sale of surplus stores is still proceeding, although the returns have fallen off, for various reasons. The total receipts for the year were approximately £52,000, making a grand total to date of approximately £424,000. The present method of sale is considered more satisfactory in every way than sale by auction; it enables the general public throughout New Zealand to obtain the stores at low prices, and provides an efficient organization to deal with surplus stores as they become available from time to time. The dyeing of surplus khaki uniforms for sale to the public is proving a successful venture, and is the only satisfactory method of disposing of these large stocks.

(g.) Gun Ammunition.

As gun ammunition cannot be manufactured in New Zealand at present, we are consequently absolutely dependent upon our peace acquirements for the provision of a reserve in the event of war. The isolation of the Dominion and our great distance from the source of supply render it imperative that we should accumulate this essential war reserve in time of peace. Recommendations in this respect have been submitted.

(h.) Horses.

The question as to the supply of horses for use in an emergency requires serious and early consideration. Experience has shown that a large percentage of horses in New Zealand are quite unsuitable for military purposes. The market for the class of animals suitable for military purposes has collapsed, and the breeding of this type has practically ceased. Recommendations in this connection will be submitted.

9. FINANCE.

The amount voted last year from the Consolidated Fund for defence purposes was £376,354, of which £348,632 was actually expended, leaving an unexpended balance of £27,722. This credit balance cannot, however, be regarded as a saving, as accounts amounting to £25,209, being mainly for expenditure in connection with camps held in March, and payments for stores and equipment made by the High Commissioner in London, were received too late for inclusion in last year's expenditure, and consequently have had to be provided for again on the current year's estimates.

10. WAR ACCOUNTS, RECORDS, MEDALS, ETC.

The staff of the War Accounts and Records Office, which at the date of last year's report numbered twenty-six, has been further reduced as work permitted, and now numbers fifteen.

The total net expenditure from vote "War expenses" for the year ended 31st March, 1924, was £159,131. A detailed statement of expenditure from the beginning of the war to the 31st March, 1924, appears in Appendix III.

The adjustment of outstanding transport accounts with the Imperial Shipping Liquidation has advanced a further stage, final claims under various headings having recently been received. These have been subjected to a detailed examination, as a result of which it is anticipated that very considerable reductions will be effected on account of items not considered to be New Zealand liabilities, and further reductions are expected on account of proposals put forward by New Zealand in regard to the basis of charging for troops carried on ex-enemy liners. New Zealand's proposals for a basis of settlement are now before the Imperial Shipping Liquidation authorities, and it is hoped that matters will be finalized by the end of July.