

standard should, in the interest of the country generally, be given a course of physical training; but this would mean extra expenditure, and the Defence vote cannot bear the burden. The policy is therefore to select for the Territorial Force the best material available (subject to their living within three miles of a drill centre) in order that the money available for the purpose may be expended on the training of those who, in the event of New Zealand being called upon to defend itself against attack, would be the first line of defence.

The following figures show the number of rejections from the Territorial Force for various reasons at the annual postings in June, 1928 :—

(a) Cadets available for posting to the Territorial Force ..	11,636
(b) Below physical standard	848 (7·29 per cent.)
(c) Permanently unfit	832 (7·15 per cent.)
(d) Temporarily unfit	140 (1·2 per cent.)
(e) Posted to Non-effective List on account of living beyond the training radius	4,410 (37·9 per cent.)
(f) Posted to the Non-effective List for other reasons ..	64 (0·55 per cent.)

Those enumerated in (b), (e), and (f) were not medically examined.

From this it will be seen that the medically unfit and those who failed to reach the physical standard totalled 1,820, or 25·41 per cent. of the total number examined (7,162).

The physical standard for our Territorial Force is equal to that required of the British Regular Army, although the medical examination is not such a searching one, and the percentage of rejections for the British Regular Army in 1926 was 34 per cent.

For our young men of eighteen years who have still a few years to develop it is not considered that the percentage of rejections, in view of the high standard set, is such as to cause concern.

The present strength of the Territorial Force is shown in Appendix I (b).

(d) GENERAL.

As a result of the higher physical standard adopted last year all units of the Territorial Force are now within their peace establishments; this will reduce some of the difficulties in administration and training which have been so marked, particularly in the case of certain city units.

In accordance with the principle that our unit organizations in New Zealand should conform with those of the Regular Army, our Infantry Battalions will this year be reorganized in accordance with recent changes in Imperial establishments. The chief effect of this alteration is the substitution of a Machine-gun Company for one of the four Rifle Companies now in a battalion, and the increase of the machine guns from eight to sixteen.

A new organization has been adopted at Home for the Cavalry. This also increases the number of machine guns in the regiment, and correspondingly reduces the sabre and rifle squadrons from three to two. For various reasons connected with the peace organization and training of our Mounted Rifle Regiments, it is not desirable at present to make any change in their organization.

During the last two years much public attention and interest has been attracted by the development of mechanization in the Army in England. Fostered, no doubt, by the numerous press reports of the operations of the Experimental Mechanized Force on Salisbury Plain and in other Commands during recent Army and Divisional manoeuvres, there appears to be a growing impression on the part of the public that the British Army is being transformed into an armoured fighting force, and that the era of Cavalry, Infantry, and Artillery as we know them is passing away, and that the combatant arms are being superseded by the introduction of armoured fighting-vehicles. This impression is quite erroneous. The Regular Army still retains its divisional organization—that is to say, units are still grouped in formations composed of all arms, with adequately proportioned Infantry, Cavalry, Artillery, Engineers, Signals, Supply units, &c. It is true that the mobility of these arms and services has been and is being improved by the gradual introduction of cross-country mechanical vehicles, of which the six-wheeled lorry is an example; but the organization, functions, and principles of employment of units and their interdependence and importance have undergone only minor changes.

Tanks and other armoured fighting-vehicles are organized into special units which are allotted to divisions as occasion demands. The Experimental Armoured Force was formed in order to test under as nearly as possible service conditions the various types of armoured vehicles, and to endeavour to ascertain the capabilities and limitations of wholly mechanized units, together with their relation and co-operation with the other arms.

The work of the Force has had very valuable results, but the broad questions involved are still far from finality, and further experiments will be necessary before definite conclusions can be reached regarding either the standardization of fighting-vehicles themselves or their tactical employment in co-operation with the other arms.

In view of the above reasons, and quite apart from financial restrictions, I do not consider that the time has yet arrived when we should attempt to form even a nucleus armoured fighting-unit in the New Zealand Military Forces. As indicated in my last report, however, I am of opinion that it is now essential to acquire some mechanized vehicles for our Territorial units, commencing with the Field Artillery. This process must of necessity be very gradual, but the provision of these mechanical vehicles will not only be more economical in permitting a great reduction to be made in the number of horses maintained and hired for Artillery training, but will also give much better results in the limited time available for field training and battery manoeuvres.

With the increasing introduction of mechanical weapons it is becoming more and more important that the preliminary instruction and individual training of the soldier shall be well grounded and on sound lines. This applies particularly to the training of the Territorial Force, where actual time for