(d) NEW ZEALAND AIR FORCE BASE, AUCKLAND.

The activities of the Department under this head during the past year have been concentrated on the development of this base, and work has proceeded very satisfactorily, although there is still a good deal of work to be done before it will be in complete running-order.

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The following works which were in hand last year have now been completed: Water-supply and

drainage system, sea-wall apron, slipway-jetty, runways, and one airman's residence.

The following new works have been put in hand during the past year, some already have been completed; and good progress is being made with the remainder: Sea-plane-hangar block, fuelling system, one married officer's residence, marine storeroom and aircraft-repair shop, plumbers' and blacksmiths' shop, mooring-dolphin, pigeon-loft, oil-store, garage, fire-alarm system, and streetlighting.

There are still a few minor buildings to be provided for; these are at present under consideration, and it is hoped to have the programme completed and the base in full working-order before the end of

the present financial year.

A motor-boat to operate in connection with sea-planes has been obtained, and is giving satisfactory results.

(e) Wigram Aerodrome, Sockburn.

This aerodrome has been maintained in good order, and minor improvements effected. The provision of a hangar and up-to-date workshops at Sockburn is at present under consideration.

(f) Civil Aviation.

The development of civil aviation in New Zealand has been retarded by the cost of providing adequate ground-organization, and the difficulty experienced in selecting suitable landing-grounds. Local bodies throughout the Dominion, however, now realize their responsibilities in this direction, and are making strenuous efforts to provide suitable aerodromes in their own districts. Selected areas on possible air-line routes are being constantly examined and classified by Air Force officers. At present there are in the Dominion, apart from the two Air Force stations, seven aerodromes licensed for use of light 'planes, and twelve others in various stages of development.

There are fourteen Aero clubs, of which seven are actively training pilots. Some of these clubs have provided their own aeroplanes, others intend to obtain pilot-instruction by arrangement with

stronger clubs or commercial firms.

Five of these clubs—viz., the Auckland, Hawke's Bay and East Coast, Wellington, Marlborough, and Canterbury Aero Clubs—have been approved by the Government for purposes of the subsidy, and each club, except Wellington, has received two Moth aeroplanes, making a total of nine Government 'planes on loan to clubs. The Wellington Aero Club will receive a second machine when the club has made further progress.

It is not possible to subsidize all clubs which apply for Government assistance, and the present

intention is to recommend a total of seven Aero clubs for the Government grant.

Since the inception of the aero clubs, seventy-six members have received ab initio pilot-training,

and have qualified for their flying certificates.

During the past year three Moth aeroplanes, seriously damaged during pupil instruction, have

been completely rebuilt at Wigram Aerodrome at Government expense.

The five clubs subsidized by the Government have held air pageants with the object of raising funds and fostering the air sense of the general public. In each case three or four service machines piloted by Air Force Officers have participated.

As yet no civil air-lines have commenced operations in the Dominion.

Two companies, the Goodwin Chichester Aviation Co., and the Hamilton Airways, Ltd., have been engaged for the past eighteen months in aerial-taxi work.

3. TERRITORIAL FORCE.

(a) COMMANDS.

Several of the Brigade Commanders and Officers Commanding other formations, after serving for the regulation period of four years, have relinquished their commands. I wish to extend my thanks and appreciation for their valuable services, which have been so well reflected in the high standard of efficiency attained by the Territorial Force during the past few years.

The officers who have succeeded them were carefully selected with due regard to their efficiency

and experience, and I am pleased to report that they are ably carrying out their duties.

(b) REGIMENTAL COLOURS AND GUIDONS.

Units of the Mounted Rifles and Infantry are gradually becoming possessed of new guidons or colours, the greater part of the expenditure involved being met by private subscription. The interest shown by local residents in the matter of providing these colours is very much appreciated. Battle honours earned by the units in the South African War and in the War of 1914-18 are emblazoned on the colours.

The 1st Battalion, Hauraki Regiment, was presented with its new colours during the year.

A new guidon was also received for the Wellington East Coast Mounted Rifles, but it is regretted that the ceremony of presentation had to be postponed owing to the cancellation of this unit's annual