(d) Resignations.

Lieutenant E. G. Moncrief, M.C., N.Z.S.C., resigned on the 30th April, 1932. Two warrant officers of the N.Z. Permanent Staff also resigned during the year.

(e) CADETSHIPS, ETC., IN BRITISH REGULAR FORCES.

During the year the opportunities open to New Zealand to (a) join the British Service Colleges, and (b) take up commissions or apprenticeships in the Royal Air Force, have been more keenly sought than hitherto.

(f) VACANCIES IN N.Z. PERMANENT FORCE.

The vacancies in establishments brought about by retirements and resignations on and since the 31st March, 1931, have not been filled, and therefore it will be necessary in the near future to enlist recruits for the N.Z. Permanent Staff in order to make good these deficiencies.

(g) Training.

There have now been no courses of instruction or special training for the personnel of the Permanent Forces for over two years. It is of vital importance that all ranks of the Permanent Forces should be kept up to date, and it is hoped that in the forthcoming year the annual courses held previously will be resumed.

2. AIR SERVICES.

(a) N.Z. PERMANENT AIR FORCE.

The strength of the New Zealand Permanent Air Force remained unaltered during the year under review.

Although both the personnel and aircraft have remained practically unaltered, the amount of maintenance work caused by the inevitable deterioration of equipment has increased so extensively that some increase in the number of aircraftmen employed in the technical trades is a matter of urgency.

During the year under review a limited amount of co-operation with both the Navy and the Army was carried out. As regards naval co-operation, five distinct series of exercises have been carried out with H.M.S. "Diomede" by one Fairey IIIF seaplane working from the Hobsonville Air Base. These exercises, which have been of considerable value to both Services, have included searching, height-finding, sleeve-target practices, observation of fall of shot, and camera-gun practices. With the Army, air observation was provided for the annual shoots of the 18th Medium Battery N.Z.A. at Rotorua, and the 10th Field and 16th Light Batteries at Matarae, Otago.

The essential nature of this type of work and the mutual benefits conferred demand that every effort should be made to increase co-operation between the Services.

(b) N.Z. AIR FORCE (TERRITORIAL).

As mentioned in my previous report, the officers of the N.Z. Air Force (Territorial) were organized into four squadrons in August, 1930, and since that date two annual courses have been carried out.

The future value of these formations as Air Force units depends solely upon the provision of an adequate nucleus of permanent personnel and equipment. As yet there is no formed unit on a permanent basis in the N.Z. Air Force, and without such a foundation any attempts to develop the Territorial Air Force on lines comparable with similar units in other parts of the Empire cannot be efficiently undertaken.

The series of squadron courses held between January and March last were attended by fifty-eight officers, who carried out an aggregate of over 500 hours' flying on the training machines and the Bristol Fighters. The time, both in the air and on the ground, was devoted to elementary instruction in reconnaissance duties, artillery observation, navigation, air gunnery, bombing, and formation flying. The progress made was satisfactory, and the keenness displayed by pilots attending the courses

The progress made was satisfactory, and the keenness displayed by pilots attending the courses was exemplary. There was no injury to personnel although three D.H. Moth aircraft and one Hawker Tomtit were damaged. In view of the lack of continuity in flying training, this cannot be considered abnormal. It is worthy of mention that a proportion of officers do maintain their flying during the year at their own expense with the various aero clubs.

(c) AIRCRAFT AND EQUIPMENT.

The number of aircraft on charge at the two Air Force stations is as follows:-

Hobsonville: One Fairey IIIF seaplane, one Cutty Sark flying-boat, and three D.H. Moth aircraft.

Wigram: Five Bristol Fighters, three Grebe S.S. Fighters, four Hawker Tomtit, and three D.H. Moth training machines, and one Puss Moth for photographic and communication purposes.

The Fairey IIIF seaplane is the only Service type still in use in other parts of the British Empire. The utility of this machine will be considerably reduced during the coming year owing to the necessity for air-frame and engine overhauls. If naval co-operation is to continue on the same scale an additional Fairey IIIF is essential.

Of the other Service machines, the Bristol Fighters and Grebes are now six years old, and their maintenance is becoming increasingly difficult both in respect of personnel and supply of spares. A large proportion of the Air Force vote, assuming that it remains unaltered for the ensuing year, will be expended in the supply of spares for the maintenance of these obsolete types.