(b) Expansion.

Following the Pacific Defence Conference, the Government authorized an increase in the peace establishment of the Territorial Force to 16,000 all ranks.

This expansion will take the following form:

- (i) Nine Mounted Rifles regiments and nine Infantry battalions, organized for training purposes, on account of low strengths in 1937, into three composite units of each arm and three motorized squadrons, will be restored to full establishment, three of the Mounted Rifles regiments being motorized.
- (ii) Territorial Artillery batteries of the field force will be increased from a two-gun to a four-gun organization.
- (iii) Other units will expand to a strength approximating more closely to their war establishments.

This expansion will bring the Territorial Force within reasonable reach of war strength, enabling it to act much more promptly should an emergency arise.

Moreover, it will give more scope for officers and non-commissioned officers to exercise and improve their powers of leadership and thus improve the efficiency of their units.

(c) Formation of New Units.

The New Zealand Scottish Regiment was raised early in 1939. This unit consists of four companies, one in each of the main centres.

The enthusiastic support of the Scottish societies enabled all companies to be recruited to their full strength in a very short time.

This regiment has the honour of being allied to the Black Watch (Royal Highland Regiment), and will wear the Black Watch tartan.

The 22nd Anti-aircraft Battery and the 2nd Searchlight Company were raised in Wellington during the year; they reached a satisfactory standard of efficiency at the conclusion of their camp training. The 7th and 8th Field Batteries at Palmerston North were amalgamated, and the 6th Field Battery was re-formed at Napier early in the training year. This unit reached its establishment in a few days with men of excellent physique.

A section of the 2nd Field Ambulance was raised at Napier during the year and is making good progress.

(d) Training.

(i) Individual Training.—The policy of giving recruits on joining the Territorial Force a week's course of instruction at a District School has been amply justified by results. The staffs of units, especially at small training centres, are relieved of the difficulty of having to deal with individuals or small numbers. The progressive training given at the schools produces a soldier who is, in most cases, capable of taking his place in the ranks of the unit and of joining in more advanced training.

(ii) Collective Training.—Collective training in the Territorial Force was based on a directive issued

at the beginning of the training year giving as the subject for study-

Offensive action against an enemy force operating at some distance from the fortress area."

In all districts valuable experience has been obtained as the result of holding exercises with and without troops dealing with situations of this nature.

Mounted Rifles and Motorized squadrons carried out training in camp which necessitated considerable movement. Practice in mobility, which is the most important characteristic of these units, is very desirable, and the exercises were of the greatest value in this respect.

Fort-manning exercises, including a twenty-four hours' continuous exercise in co-operation with the New Zealand Division of the Royal Navy and the Royal New Zealand Air Force, were carried out at Auckland and Wellington during the period in camp of the 13th and 15th Coast Batteries respectively. The tactical handling of the new armaments installed at these places was studied, and considerable improvement in the training of the personnel was noticeable.

The training of Anti-aircraft batteries was made much more realistic by the introduction of practice ammunition which bursts short and thus allows of firing at faster targets on more varied courses than is possible with a towed target.

Improved training-facilities, made possible by the use of the Waiouru area for batteries from the Northern District and the reinstitution of ranging practices with air observation in the Southern District, have resulted in a considerable advance in the training of Field Artillery units.

Most of the units in the Northern and Central Military Districts carried out their annual camps at Waiouru, which I consider an ideal training-ground for all arms of the Service.

The annual camps of units were made interesting, and all ranks showed good discipline, cheerfulness, and a readiness to undertake all tasks required of them.

4. SPECIAL RESERVE.

The system instituted last year of training Special Reservists with the object of building up heavy batteries (Coast Artillery) and the three fortress battalions has been continued. In order to give more time to their military instruction and still afford the men an opportunity of receiving vocational training, the period of training was increased from three to five months. The presence of Special Reservists with units in camp has been an important factor in improving the efficiency of those units to which they have been posted. Besides supplying some of the specialists required, the reservists have been of considerable value in giving demonstrations within their own units.

The attendance of Special Reservists at camps was in some cases disappointing. Of 374 posted to Territorial Force units, only 199 attended camp.