

In time of war, this estimate would be increased by such items as the pay of the armed constabulary, who might have to be replaced by substitutes, of the additional men required for the naval brigades, and of the permanent crews of the torpedo boats. The Volunteer Force would have to be brought up to its war establishment, and provision made for the payment of the men, whilst employed on military duties, as well for the general expenses of maintaining the defences ready for immediate action.

Comparison
between pro-
posed and pre-
sent annual
expenditure.

It is not possible to draw a comparison between the proposed, and the present, annual expenditure without examining in detail the military estimates for this year. Such an enquiry does not come within my instructions, nor would it be profitable to undertake it until a decision has been come to, in reference to the proposals contained in this report. I see no reason, however, to doubt but that, under an improved organization, it will be quite practicable to keep down the total expenditure within the amount of this year's estimate, and at the same time provide not only for an efficient scheme of defence against foreign aggression, but also for maintaining the Volunteer Force generally at its present strength.

At present the expenditure on the volunteers, including the cadets, amounts to £40,374, and yet there is no adequate provision for defence against external attacks. The investigation into this expenditure had better be conducted at the same time as the enquiry, which it has already been suggested should be made, into the organization of the force.

Capital cost
of scheme of
defence.

The capital cost of that portion of the scheme of defence, which I recommend should be commenced at once, is estimated approximately as follows :—

I. Batteries at Auckland, Wellington, Lyttel-			
ton, and Port Chalmers	...	...	£18,000
II. Torpedo boats for the four principal			
harbors	...	...	£14,000
III. (a.) Surveys and preparation of plans for			
batteries	...	...
(b.) Purchase of four electric lights			
(c.) Purchase of experimental torpedo			
equipment	...	...	£5,000
(d.) Arming batteries after completion			
(e.) Contingencies and unforeseen ex-			
penditure	...	...
			£37,000
Deduct balance available, at present			
date, on special vote for defences, say			£9,000
Amount now required			£28,000