

APPENDIX V.  
DISTRIBUTION OF PERMANENT ESTABLISHMENT.

	Officers.	Warrant and Non-com- missioned Officers.	Quarter- master-Ser- geants.	Other Ranks.	Civilians.
Army Headquarters .. .. .	15	..	..	..	42
District Headquarters .. .. .	12	..	..	..	39
Mounted Rifles .. .. .	16	16	12	..	..
Royal New Zealand Artillery—					
Field Artillery .. .. .	4	24	..	92	..
Garrison Artillery .. .. .	8	49	2	136	..
Corps of New Zealand Engineers ..	1	..	..	..	..
Field companies .. .. .	..	4	..	..	..
Mounted signal troop and Divisional sig- nal companies .. .. .	..	4	..	..	..
Railway battalions .. .. .	..	4	2	..	..
Infantry .. .. .	21	21	17	..	..
New Zealand Army Service Corps ..	4	4	..	..	..
New Zealand Medical Corps .. .. .	..	4	..	..	..
Musketry Instructors .. .. .	4	..	..	..	..
Areas .. .. .	18	49	18	..	..
Sub-areas .. .. .	..	56	..	..	..
Not yet appointed .. .. .	9	..	..	..	..
Totals .. .. .	112	235	51	228	81

APPENDIX VI.

NECESSITY FOR A MILITARY BUSINESS BRANCH.

(Extract from the Report on the Australian Military Forces by the Inspector-General of the Oversea Forces, 1914.)

*The United Kingdom in 1904.*

76. The condition of affairs in the United Kingdom, described by the Esher Committee in 1904, is reproduced to-day in an exaggerated form in Australia. In the words of the Committee's report:—

“ While the present system of financial control is futile in peace, it is ruinous in war. Officers unaccustomed to bear any financial responsibility, and ruled by excessively complex regulations, cannot at once improvise a system for the control of expenditure in the field, when the restraints are suddenly removed. The result, as in South Africa, is the waste of millions. . . . By ensuring a rigid adherence to elaborate regulations the Finance Department doubtless effects small savings; but it does not and cannot secure real economy. . . . The theory that military officers of all ranks are, by the fact of wearing uniform, shorn of all business instincts has inevitably tended to produce the laxity which it is supposed to prevent. . . . There can be no doubt that in proportion as officers are accustomed to financial responsibilities, the economy which they alone can secure will be effected.”

*Decentralization essential.*

77. The Esher Committee further reported as follows:—

“ It seems to have been expected that officers would be able to emancipate themselves from the effects of their peace training as soon as they took the field. Such expectations could not be realized. . . . We are absolutely convinced that if the Army is to be trained to exercise the initiative and the independence of judgment which are essential in the field, its peace administration must be effectively decentralized. The object should be to encourage the assumption of responsibility as far as possible.”

This decentralization, they realized, would have to be carried out not in the districts alone, but also in the War Office itself; and they accordingly recommended, and secured, the delegation of certain financial powers to the administrative chiefs at Army Headquarters, as well as to officers placed in charge of administration in the districts outside.

*Command and Administration.*

78. Insistence on the distinction between the business administration of an army and troop-leading lay at the root of the Esher Committee's proposals for decentralization. “ The training and preparation of His Majesty's forces for war should,” they held, “ be the first, and, as far as possible