

the necessary guns and equipment are available. The officers and non-commissioned officers with war service are, however, an asset that is rapidly decreasing by reason of age and of increasing family responsibilities, and it is essential that others should be trained to replace them. Equipment does not waste so rapidly, but requires a number of men to maintain it in good order.

New Zealand is now going through the usual after-war stage, when the public, forgetting that lack of preparation has already proved very costly, is anxious to reduce the burden left by the war by cutting down its national insurance. Economy is undoubtedly essential, but savings at the expense of efficiency do not constitute economy, but the reverse. New Zealand is not able to stand alone, and Great Britain, with her crushing war burden, cannot be expected to continue to provide almost the whole of the defence of the Empire. It is evident that all parts of the Empire must stand together; therefore the problem of the defence of any Dominion cannot be separated from that of the Empire.

The only sound solution of the defence problem—and one which would give the maximum of efficiency at the minimum of expense—is an agreement for mutual co-operation in which the liability undertaken by each State is clearly defined. No such agreement can, however, be expected until it is realized that the defence problem is not simply a question of the strength of one or other of the services, but of the co-ordinated use of the Empire's resources, and also that no State can expect assistance from another unless it accepts an equivalent obligation.

APPENDICES.

APPENDIX I.—SUMMARY OF MUSKETRY TRAINING.

TERRITORIAL FORCE.						No.	Percentage Strength.
Strength on 31st May, 1923, of units required to fire musketry course	..	..	..	..	..	10,603	..
Number who fired full course	..	..	..	..	..	8,908	83
Number who fired part course	..	..	..	..	..	291	4
Number who did not fire	..	..	..	..	..	1,404	13
Number who qualified	..	..	..	..	..	8,360	79
Number who did not qualify	..	..	..	..	..	2,243	21
CADETS.						No.	Percentage Strength.
Strength on 31st May, 1923	..	..	..	..	..	25,219	..
Number who fired full course	..	..	..	..	..	22,128	87
Number who fire part course	..	..	..	..	..	1,120	6
Number who did not fire	..	..	..	..	..	1,971	7
Number who qualified	..	..	..	..	..	21,332	85
Number who did not qualify	..	..	..	..	..	3,887	15

APPENDIX II.—REPORT ON CIVIL AVIATION.

GOVERNMENT SUBSIDIES.

On 15th September a conference of representatives of civil companies and Defence Department was held in Wellington to discuss details of the scheme of subsidy which had come into operation on the 1st April, 1922.

As a result of the conference the rates of subsidy were extensively increased; in some cases they were doubled. In addition the Department undertook to give work to the companies by commissioning them to carry out the flying portion of the refresher courses. The alteration to scale of subsidy was made retrospective to date from the 1st April, 1922.