

1926.
NEW ZEALAND.

DEFENCE FORCES OF NEW ZEALAND.

REPORT OF THE GENERAL OFFICER COMMANDING THE FORCES FOR THE PERIOD
1st JUNE, 1925, TO 31st MAY, 1926.

Presented to both Houses of the General Assembly by Command of His Excellency

REPORT.

The Hon. the Minister of Defence. General Headquarters, New Zealand Military Forces,
SIR,— Wellington, 21st July, 1926.

I have the honour to submit the following report on the New Zealand Defence Forces for the period 1st June, 1925, to 31st May, 1926 :—

1. COMMANDS AND STAFF.

(a.) *Change of Command.*

The sudden and untimely death of my predecessor, Major-General C. W. Melvill, C.B., C.M.G., D.S.O., was deeply regretted by all ranks of the New Zealand Defence Forces. His splendid record of service and the valuable military knowledge gained made his loss a severe one to the Defence Forces and to the Dominion he had served so well.

General Melvill died on the 15th September, 1925, and Colonel on the Staff, W. L. H. Burgess, C.B., C.M.G., D.S.O., Chief of the General Staff, was appointed Acting-Commandant until the 6th December, 1925, on which date I assumed command.

(b.) *Staff Changes.*

My appointment necessitated several changes in the Staff, as follows :—

Lieut.-Colonel M. M. Gard'ner, D.S.O., Royal N.Z. Artillery, relinquished the appointment of Director of Artillery at General Headquarters, was promoted to the rank of Colonel, and appointed to command the Southern Command, with the temporary rank of Colonel-Commandant.

Lieut.-Colonel F. Symon, C.M.G., D.S.O., A.D.C., Royal N.Z. Artillery, relinquished the appointment of General Staff Officer (1), Southern Command, and was appointed Director of Artillery at General Headquarters.

Lieut.-Colonel N. W. B. B. Thoms, D.S.O., M.C., N.Z. Staff Corps, relinquished the appointment of Staff Officer in Charge No. 9 Regimental District (Nelson), and was appointed General Staff Officer (1), Southern Command.

Major E. T. Rowllings, N.Z. Staff Corps, relinquished the appointment of Deputy Assistant Adjutant-General, Northern Command, and was appointed Staff Officer in Charge No. 9 Regimental District (Nelson), *vice* Lieut.-Colonel Thoms, transferred.

Other Staff changes during the year were :—

Major L. C. Forgie, N.Z. Army Pay Corps, relinquished the appointment of Officer in Charge War Accounts and Records, and was appointed Accountant to the Department, *vice* Captain G. C. Felton, transferred.

Captain W. Ivory, Royal N.Z. Artillery, relinquished the appointments of Inspecting Ordnance Officer and Acting Inspector of Ordnance Machinery at General Headquarters; and was appointed Officer in Charge Harbour Defences and Officer Commanding R.N.Z.A. Detachment, Northern Command, *vice* Captain G. B. Parkinson, sent to England for special training.

Captain D. H. W. H. Donaldson, N.Z. Staff Corps, relinquished the appointment of Area Officer, 5A (Wellington), and was appointed Area Officer, 6A (Wanganui), and Adjutant, 1st Battalion, Wellington West Coast Regiment.

Captain M. A. Stedman, M.C., N.Z. Staff Corps, relinquished the appointment of Area Officer, 9B, Greymouth, and was appointed Command Weapon Training Instructor, Southern Command.

Captain G. C. Felton, N.Z. Army Pay Corps, relinquished the appointment of Accountant at General Headquarters, and was appointed Command Paymaster, Southern Command.

Lieutenant A. de T. Nevill, Royal N.Z. Artillery, relinquished the appointment of Staff Captain (Artillery), and assumed the duties of Inspecting Ordnance Officer at General Headquarters.

Lieutenant C. S. J. Duff, Royal N.Z. Artillery, relinquished the appointment of Adjutant, 1st Battalion, Nelson, Marlborough, and West Coast Regiment, and took over the duties of Staff Captain (Artillery) at General Headquarters.

2. PERMANENT FORCES.

During the year the following officers were sent to England for special training :—

Major W. G. Stevens, Royal N.Z. Artillery, to the Staff College, Camberley.

Captain G. B. Parkinson, Royal N.Z. Artillery, to the Artillery College, Woolwich.

Lieutenant R. J. D. Davis, N.Z. Staff Corps, to the Small-arms School and the Machine Gun School.

Three officers from the British Army in India arrived in the Dominion on the 11th August, 1925, for interchange with a similar number of officers of the N.Z. Permanent Forces who proceeded to India for attachment to British regiments for a period of two years. The following are the officers concerned :—

Officers of British Army in India sent to New Zealand.
 Captain A. le G. Campbell, the Highland Light Infantry
 Captain P. L. Villar, M.C., the South Wales Borderers
 Lieutenant F. J. Dillon, M.C., the Royal Artillery

Officers of the N.Z. Permanent Forces sent to India.
 Captain L. Potter, N.Z. Staff Corps. (Attached to the Highland Light Infantry.)
 Captain J. G. C. Wales, M.C., N.Z. Staff Corps. (Attached to the West Yorkshire Regiment.)
 Lieutenant J. I. Brooke, N.Z. Staff Corps. (Attached to the Hampshire Regiment.)

Most valuable notes have been received from these officers on the training they are taking part in with their respective regiments.

The vacancies in the commissioned ranks of the Permanent Forces referred to in the last report have been filled by reappointing four ex-graduates of the Royal Military College of Australia who were retrenched in 1921, and by granting a commission to another member of the N.Z. Permanent Staff who qualified for same by examination.

To fill vacancies that will occur in the N.Z. Staff Corps and Royal N.Z. Artillery during the next two years, three Cadets were appointed and have been sent to England for training—one to the Royal Military Academy, Woolwich, and two to the Royal Military College, Sandhurst. On completion of their eighteen months' course the Cadets will be commissioned and attached to regiments of the British Army for six months, after which they will return to New Zealand.

During the year arrangements were made with the War Office to loan for a period of three years Quartermaster-Sergeant W. H. Grigg, D.C.M., M.M., Royal Corps of Signals, a fully qualified signalling instructor, and Staff-Sergeant T. J. Smith, Royal Army Ordnance Corps, an instrument artificer, for special duty in New Zealand.

Various courses of instruction have been held for the N.Z. Permanent Forces during the year for the purpose of keeping the instructional staff up to date.

3. AIR SERVICES.

(a.) *New Zealand Permanent Air Force.*

During the period under review the strength of the New Zealand Permanent Air Force has been increased by three mechanics, and applications were called for the appointment of a pilot instructor to fill a vacancy on the staff of Wigram Aerodrome caused by the impending departure of Captain L. M. Isitt to England for a period of attachment to the Royal Air Force. The strength now stands at four officers and fourteen other ranks.

Liaison has been carried out with the Territorial land Forces of the Southern Command during the training year, the total flying-time involved being twenty-six hours, which is an increase of some eleven hours over that of the previous year.

Towards the end of the training-year the New Zealand Permanent Air Force has undertaken several air surveys on behalf of local bodies. That of the Waimakariri River has been completed, and is very highly spoken of by the Engineers concerned.

Mosaics of the City of Christchurch and Ashley River are practically complete, and are equally well spoken of.

During the forthcoming year it is probable that air surveys of various localities in the Southern Fiord districts will be undertaken on behalf of the Public Works Department in connection with hydro-electric developments.

(b.) *New Zealand Air Force (Territorial).*

The strength of this unit now stands at 106 officers.

The usual annual refresher courses were held at Wigram Aerodrome during the period 20th January to 28th March. In all fifty-five officers attended. They were divided into six groups, each group carried out ten days' training. The weather conditions were good, and the keenness of the officers under instruction in all branches of their training was excellent.

Ground training included instruction in wireless, Vickers and Lewis machine-guns, air operations, and Army co-operation. Range work was carried out with rifles and machine guns.

Flying training consisted of dual and solo flying on Avros, Bristol Fighters, D. H. 4's and D. H. 9's. Formation flying and cross-country flights were carried out, and a small amount of air photography undertaken.

The total flying-time for officers on the refresher courses was 472 hours 45 minutes, giving an average of 8 hours 35 minutes per pilot, which is 1 hour 35 minutes in excess of the average of the previous year.

During the course there was one fatal accident, involving the deaths of Captain F. J. Horrell and Mr. T. L. Reid, and the injury of Lieutenant P. A. Turner.

(c.) *Aircraft and Equipment.*

The accommodation at Wigram Aerodrome has been increased during the year by the erection of a new stores-hangar.

Six Avro type 504 K (landplane) training machines, and two Bristol Fighter J type Army Co-operation machines, referred to in last year's report as being under order, arrived during the early part of the year, and have been erected and brought into use at Wigram Aerodrome.

The above machines and those taken over from civil aviation companies are the only ones which have been purchased by the Department. All other aircraft now held is portion of the original Imperial gift, and these machines are obsolete; and, as the gift stock of spares for those types is practically depleted, it will be impossible to maintain them in an airworthy condition for any lengthy period of time.

In the purchase of new service aircraft it is intended to concentrate on one type, in order to make it possible to give training in concerted work, which up till now it has not been able to successfully undertake on account of the various types of aircraft held possessing different qualities and capabilities to suit them for their characteristic functions.

It is proposed in the coming year to purchase three Bristol Fighters, which will give one flight of these machines. The Bristol Fighter is the present service type of aircraft used by the Royal Air Force for Army co-operation duties.

(d.) *Air Base, Auckland.*

An area of 167½ acres has been purchased at Hobsonville, Auckland, for the purpose of establishing a combined landplane and seaplane base. The site is an excellent one, but a certain amount of expenditure will be necessary in connection with the construction of slipways, preparation of landing-grounds, and other essential preparatory work. A topographical survey is in course of preparation.

Captain L. M. Isitt, New Zealand Permanent Air Force, who left New Zealand on 10th June, 1926, to undergo courses in seaplane training and a general refresher in Air Force duties, will visit the Air Ministry and discuss the plan of the new air base at Auckland, and get expert advice on the general layout.

4. TERRITORIAL FORCE.

The present strength of the Territorial Force is shown in Appendix I. The obligatory training for the year was as follows: (a) Six days' training in camp; (b) six half-day parades; (c) twelve drills.

The above programme was a repetition of that for the previous year; but whereas training was seriously interrupted by the infantile-paralysis epidemic in 1925 and early in 1926, there was no such dislocation during the past year, with the result that splendid progress was made in all branches of the service.

The special courses of instruction, of six days' duration, for officers, warrant officers, and non-commissioned officers were again held, so as to give the officers, warrant officers, and non-commissioned officers opportunities to increase their military knowledge and improve their capabilities as leaders and trainers of their men. The benefit of these courses was very apparent during the annual training-camps of units.

The past year is the first occasion since the war that the scale of training has approached that laid down in the Defence Act. The curtailment of training imposed by financial stringency during the years following the war made it almost impossible to carry on the training of the Territorial Force and secure any tangible results. It was particularly difficult to retain the services of officers and non-commissioned officers, as without the opportunities for field and collective training they had very little incentive. With the return to more normal conditions the Territorial Force has received a much-needed stimulus. There is no longer a serious shortage of officers and non-commissioned officers, and there is enthusiasm and *esprit de corps* in all units.

The annual training-camps of all units were excellently attended, as will be seen from Appendix III. Many units secured a full attendance, while almost all obtained not less than 80 per cent. of strength. Most useful and interesting work was done during these camps. As a result of the past year's training I can confidently say from knowledge gained during personal inspections that very good progress was made and very encouraging results obtained.

The population of the Dominion is steadily growing, and it is becoming more difficult each year to clothe, equip, and train all those liable for military service on the money voted for the purpose. Since the date of the last report the strength of the Territorial Force has increased by 2,022 and the Cadets by 2,675, an increase of approximately 10 per cent. in each case.

I wish to place on record the interest that His Excellency the Governor-General has taken in the Defence Forces during the year. His inspection of several units in training-camps and on parade has been appreciated by all ranks.

I also wish to record my appreciation of the kindness of the many owners who have been good enough to grant the use of their land and buildings for the holding of camps, &c.

Our system of military training could not be successfully carried into effect without the co-operation of employers, and it gives me great pleasure to report that, with few exceptions, there have been no difficulties between employers and the Defence Department.

During the year several further alliances have been established between regiments of the British Army and regiments of the New Zealand Territorial Force. All Infantry regiments and technical units have now an alliance with a regiment or corps of the British Army, and various steps have been taken to give meaning to these new relationships.

N.Z. MOUNTED RIFLES.

As was anticipated, the reintroduction of camp training has resulted in more horses becoming available for training, but the position is by no means as satisfactory as I should like to see it. An endeavour is to be made this year to secure more horses, and one difficulty that has faced the mounted rifleman in the past—i.e., the provision of suitable saddlery, as well as a horse—will be partly removed by the issue of saddlery from mobilization equipment.

With only a small proportion of the personnel of most regiments well mounted, this arm of the service is considerably backward, but the men without horses are receiving special training in the use of Vickers and Hotchkiss machine guns.

N.Z. ARTILLERY.

Good progress has been made throughout the year, and all batteries went into camp. Shell practice was carried out while in camp, generally with satisfactory results. Many units showed great enthusiasm by performing additional voluntary training, which greatly assisted in raising their efficiency.

As mentioned in the last report, the Artillery units are hampered by lack of suitable ranges, but an endeavour is being made to locate suitable sites.

A new battery has been formed at Onehunga. It is intended that this battery will eventually become an anti-aircraft battery, but pending the acquisition of anti-aircraft equipment it is training as an additional 18-pr. Field Battery.

During the year two 5-ton Holt tractors were purchased for hauling guns, and these have proved of great use and are giving very satisfactory service.

Corps of N.Z. Engineers.

A special course of instruction for officers and non-commissioned officers of this corps was held at Trentham preparatory to the annual camps of depot companies. By such special preparation, and the attendance of all Engineer instructors of the Permanent Forces at the annual camp of each depot, very good results were obtained.

N.Z. Corps of Signals.

During the year this corps was brought almost up to full strength, and satisfactory progress was made with the training under conditions arranged with the Post and Telegraph Department, from which Department the majority of the personnel of the corps is drawn. A most successful course of instruction of fourteen days' duration was held at General Headquarters School, Trentham, for officers and non-commissioned officers of the corps, and a selected small number of regimental signallers from other units.

N.Z. Infantry.

The camp training of the past year has been most beneficial to all battalions. The training programme for the year was so arranged as to be progressive, and culminated in collective training in camp. Some definite progress has been made in weapon training, but the short period of service does not permit of more than a fairly satisfactory standard of individual efficiency being attained, and this is really only the commencement of usefulness of the Infantry soldier.

Wherever the facilities existed every endeavour was made to take battalions beyond the stages of individual training, and in some units elementary tactical training and collective field practices, in which machine-gun platoons and Lewis and rifle sections co-operated, were carried out with good results.

N.Z. Army Service Corps.

The improvement in this corps mentioned in last year's report has been fully maintained this year. Officers and non-commissioned officers from all three depots were again concentrated at Trentham for a special six days' course of instruction, with good results.

The camps for units of the Territorial Force increased the supply and transport duties of the N.Z. Permanent Army Service Corps enormously, but with assistance from the Territorial depots these duties were entirely satisfactorily performed.

N.Z. Medical Corps.

The N.Z. Medical Corps is up to establishment, and all ranks have shown great keenness and interest in their training. There has been a marked improvement during the year, which in a great measure is due to the special courses of instruction held for officers and non-commissioned officers and the practical training in field-work.

Major T. McKibbin, C.B.E., M.D., N.Z.M.C., was appointed Director of Hygiene on the 4th July, 1925, and on the same date one Assistant Director of Hygiene was appointed in each of the three commands. These are new appointments in the Medical Service of the Forces. Following these appointments a school of hygiene was established in each command, and specially selected officers of the Medical Corps give lectures to all units on sanitation and hygiene.

5. CADETS.

The strength of the Cadets now under training is shown in Appendix I.

The past year has been a most successful one as regards Cadet training. The training proceeded uninterruptedly, and the reinstitution of camps for the Territorial Force has had its good effect on the Cadet system, for the Cadet of to-day is the Territorial of to-morrow, and as a result of this both Forces are intimately interwoven, and the young Cadet looks forward with pride and interest to the day when he will become eligible for the higher training in the adult corps.

My predecessors have in their annual reports—and rightly so, in my opinion—emphasized the importance of Cadet training not only from the point of view of defence of the country, but also as a means of improving the physical condition and inculcating many qualities in the youth of the Dominion, which help towards making them good citizens.

The position regarding officers for Cadet battalions has improved during the year. The system of seconding officers from Territorial units for service with Cadet battalions has now been in force long enough to show good results.

The Cadets have maintained a good standard of marksmanship with the rifle. Last year New Zealand was represented in the contest for His Majesty the King's trophy, which is competed for in conjunction with the Imperial Challenge Shields, by 5,054 Cadets, against 5,500 from the Mother-country, 6,270 from South Africa, and 3,474 from Australia. Although our boys were not successful in winning any of the major trophies, individual units secured high places of merit in the Honours lists, and four Cadets were awarded Medals of Honour for extraordinarily good scores; while, as a mark of appreciation of the sustained good efforts of the New Plymouth Boys' High School Cadets in these Empire competitions, Mr. G. H. Gorringe, who has coached the Cadets of this company for some years, was also awarded a Medal of Honour, a reward very sparingly conferred.

The Dominion Cadet Championship for Cadets of Secondary Schools (the Riddiford Cup competition) was again won by Nelson College Cadets, for the third time in four years, which is a remarkably fine performance, and the championship for Cadets other than those belonging to secondary schools was wrested from the Nelson City Cadets (who had held it for two consecutive years) by No. 10 Company (Wanganui) Cadets.

I cannot speak too highly of the great enthusiasm shown by the officers and cadets who take part in these and other competitions which are held to give a goal for enterprising units to aim at, and always result in much healthy rivalry and a splendid competitive spirit prevailing.

6. THE N.Z. ARMY RIFLE ASSOCIATION.

The third Army rifle meeting was held at Trentham from the 9th to the 12th March, 1926. Owing to the infantile-paralysis epidemic no meeting was held in 1925, and it was feared that this break, coming so soon after the inauguration of the association, might have had an adverse effect on the 1926 meeting. This was not the case, however, as much larger entries were received than for any previous meeting, and the skill shown by many individual competitors with the rifle and by the Vickers, Lewis, and Hotchkiss gun teams was surprisingly good.

For previous meetings rather inclement weather had been experienced, but the 1926 meeting took place under very favourable conditions, and was therefore more enjoyable to the competitors, who were drawn from all units of the Military Forces and from the N.Z. Division of the Royal Navy.

The Army rifle meeting is the only opportunity afforded of concentrating representative teams from all units throughout the Dominion, and the inauguration of the N.Z. Army Rifle Association and its annual gatherings have been the means not only of improving the skill at arms of those who attend the meetings, but has had very far-reaching beneficial effects upon the weapon training of the Forces as a whole. Competitors from the Territorial Force and the Cadets have to win their places in the unit teams by good shooting prior to the closing of entries, and competition for the small number of places allotted to each unit is very keen indeed. The best performances at these meetings almost automatically become the standard for the riflemen, machine-gun, and light automatic gunners to work to for the ensuing year, and the many inter-unit competitions, fired shoulder to shoulder, promote great enthusiasm and help in no small way to foster *esprit de corps* in all units.

A feature of the 1926 meeting was the introduction of night firing competitions for riflemen, Vickers, Lewis, and Hotchkiss gunners. Although units have not been able to devote much time to this nature of training, it is a very necessary part of the training of the modern soldier, and the matches were introduced to stimulate interest in this work. These matches were perhaps the most realistic of all staged at the meeting; and, although the scoring was not high, the keenness, resourcefulness, fire control, and fire discipline of the competing teams was of a much higher standard than anticipated.

His Majesty the King's Medal was won by Staff Sergeant J. S. Thomson, N.Z. Permanent Staff; the Army Championship by Company Quartermaster-Sergeant A. R. Tantrum, 1st Battalion, Wellington West Coast Regiment; and the Cadet Championship by Sergeant K. J. Duncan, Auckland Grammar School Cadets.

The two first-mentioned matches are fired under the same conditions as similar competitions held in the British Regular Army.

7. RIFLE CLUBS AND THE NATIONAL RIFLE ASSOCIATION.

The number and strength of Rifle Clubs in the Dominion are shown in Appendix I.

Some of the older and inactive clubs have disbanded during the year, while a small number of new ones has been formed. These changes have resulted in the total membership of all clubs decreasing by 235 members. The free grants of ammunition to club members who fire and attain the qualification and marksmanship standards in the rifle course prescribed for the Territorial Force and for rifle meetings held by District Rifle Associations, given in detail in last year's report, have been continued.

The annual prize-firing meeting of the National Rifle Association was held at Trentham from the 16th to the 20th March in ideal weather. The executive reported that the meeting was most successful.

The free use of Trentham rifle range, free ammunition, free railway passes for competitors, and £1,000 cash towards the funds of the association were again granted for the 1926 meeting, and several officers and warrant officers of the N.Z. Permanent Forces were detailed to assist in the conduct of the meeting.

8. DEFENCE WORKS, MOBILIZATION DEPOTS, AND TRAINING-CAMPS, EQUIPMENT, ETC.

(a.) Mobilization Depots and Training-camps.

Considerable progress has taken place in the development of Waikato Camp, Ngaruawahia. The branch railway into the camp has been constructed. The water-supply system, consisting of an 80,000-gallon reservoir, filled by a pump capable of pumping 13,000 gallons an hour, and the necessary reticulation, together with an up-to-date chlorinating apparatus, is now complete. Three married men's quarters and one single men's quarters for ten men for Ordnance personnel have been erected.

Two mess-rooms, complete with kitchen and all accessories, and capable of serving a thousand men, have been completed and were in use during the February (1926) camps. The greater part of the camp area has been cleared of noxious weeds, ploughed and grassed, fences repaired, and surface drainage attended to.

Work has now been commenced on the large Ordnance Store building, which when completed will absorb the stores now located at Mount Eden and at Featherston Camp and enable the temporary buildings in the latter camp to be dismantled. Next year it is hoped to provide four additional married quarters, Ordnance Office and workshops, vehicle-shed, and Army Service Corps Depot, all of which are essential both for peace-time training and mobilization purposes.

Trentham and Burnham Camps have been maintained, but their development and improvement, although so essential, had to stand over on account of the necessity of concentrating on the development of Waikato Camp.

(b.) Magazines.

Five magazines for gun-ammunition and high explosives, and the earthwork for five others, have been completed at Waikato Camp, Ngaruawahia, while a tramway from the terminus of the camp railway provides economical transportation. Five additional magazines for gun-ammunition and one for small-arms ammunition will in all probability be constructed in 1927.

The small-arms ammunition magazines at Trentham and Burnham Camps have now been completed and taken into use.

(c.) Quarters.

The provision of additional married quarters at Burnham Camp is becoming urgent, and it is hoped to provide a further three in 1927. The comparatively isolated location of the various camps makes it very difficult, if not impossible, for the permanent personnel to obtain accommodation privately, and the provision of several married quarters at various places is essential. Financial considerations, however, prevent much being achieved in this direction until 1927 or 1928.

(d.) Drill-halls.

The Auckland drill-hall is very badly congested, and to relieve it a suitable hall at Onehunga was purchased at a very favourable figure, while negotiations are proceeding for the acquisition of a site at Ponsonby, where it is hoped to erect a hall this year.

At Hamilton a drill-hall is an urgent necessity. A site is available, plans are being completed, and the building should be erected within the year.

Several other halls are essential, but cannot be provided in the meantime until important development works at the mobilization bases and elsewhere are completed.

Existing halls throughout the Dominion have been maintained, and necessary improvements effected.

(e.) Rifle Ranges.

Rifle ranges have been maintained and are generally in good order.

(f.) Stores and Equipment.

As indicated in last year's report, the storage accommodation at the various camps cannot be regarded as satisfactory.

A modern storehouse will this year be erected at Waikato Camp, but the erection of similar buildings which are necessary at Trentham in particular, and on a smaller scale at Burnham, must be postponed till funds are available.

Ordnance workshops are being gradually extended, and improved by the introduction of modern machinery, and are now able to execute most of the required repairs, and necessary alterations to equipment and armament.

The system of accounting for stores remains satisfactory, and losses are reduced to a minimum. The periodical inspections by officials of the Audit Department have shown in every instance that the accounts are being well kept and the stores are properly safeguarded.

The sale of surplus stores by the Disposal Depot is still continuing, the sales in country centres in particular proving very satisfactory. The retention of the Disposal Depot enables uniform clothing which each year becomes unsuitable for issue to the Forces to be dry-cleaned, renovated, dyed, and sold at reasonable prices to the general public. Although the receipts are less than previous years, the business done is still considerable, and, as stated in last year's report, the prices realized are so much higher than those obtainable by other methods of sale that the retention of the present method is warranted in the public interest.

The further exhaustion of war-time stocks of clothing necessitates an increasing annual expenditure to provide requirements for the Territorial Force and Cadets, and the clothing item on the estimates shows a corresponding increase.

9. FINANCE.

The net expenditure out of Consolidated Fund for Defence purposes, including aviation and assistance to Rifle Clubs, for the year ending 31st March, 1926, amounted to £459,293. This includes approximately £5,000 of expenditure on activities previously paid from War Expenses Account.

The expenditure for the year out of Public Works Fund (vote "Contingent Defence") for construction of training-bases, new drill-halls, &c., was £89,763, which included the sum of £26,028 for purchase of site for the Aviation Base at Auckland.

10. WAR ACCOUNTS, RECORDS, AND BATTLE HONOURS.

(a.) *War Expenditure.*

The War Expenses Account was closed by legislation contained in the Finance Act of last year, and recurring liabilities were provided for in appropriate votes of the Consolidated Fund.

Since the closing of the account, finality was reached in the settlement of outstanding war transactions between the N.Z. Expeditionary Forces and the Australian Imperial Forces in Egypt, the Commonwealth Government agreeing to pay to the New Zealand Government the sum of £45,000 in final settlement.

(b.) *Battle Honours.*

As stated in last year's report, the claims of New Zealand regiments for battle honours for service in the Great War were submitted to the Army Council for approval. From correspondence received it seems likely that with one or two minor exceptions our recommendations will be approved, and it is hoped to make an early announcement to this effect.

11. NEW ZEALAND AND SOUTH SEAS EXHIBITION, DUNEDIN: COURT OF THE N.Z. MILITARY FORCES.

This court in the Government pavilion proved a considerable attraction to the public. It was designed to show some of the modern equipment with which the Forces are armed, and the progress made in the manufacture of small-arms of all nations over a period of fifty years. Included in the exhibits were examples of modern artillery, machine guns and light automatic weapons, rifles and revolvers, ammunition, war decorations and medals, Chinese decorations and medals, examples of workmanship in small-arms and ammunition from the Chinese Government Arsenal at Shanghai, and a representative collection of war trophies.

A feature of the court was the complete collection of war photographs, arranged as a continuous panel on the walls, the opportunity to place orders for copies being taken considerable advantage of by the general public.

Two aeroplanes from the Wigram Aerodrome, Sockburn, were flown to the Exhibition, one being exhibited on the floor of the court, and the other being suspended from the roof of the pavilion.

Attendants in charge of the court were furnished by the N.Z. Permanent Staff and Royal N.Z. Artillery.

12. NEW EQUIPMENT.

In concluding this report I wish to direct attention to certain measures which are essential if the fighting efficiency and readiness for war of the land Forces are to be maintained. The present mobilization equipment and armament is, generally speaking, complete and in good order. It was inevitable, however, that after the experience of the recent Great War very considerable changes and development would be necessitated in the design, nature, and power of modern equipment.

The present is a very important and also a difficult period, in that, after exhaustive experiments and trials, certain new armament and equipment have to be adopted in order that the equipment of our Military Forces may be brought fully up to date and uniform with that of the other land Forces throughout the Empire. These several additions and changes have been very carefully considered, and schemes drawn up and provision is being made for acquiring war reserves of gun ammunition and certain chemical warfare and anti-gas equipment.

A scheme, based on recommendations recently received from the Committee of Imperial Defence, is being drawn up, and will shortly be submitted, embodying certain alterations and additions to our existing coast defences, and defining the total period and successive stages by which these essential requirements will be effected.

I have the honour to be, Sir,

Your obedient servant,

R. YOUNG, Major-General,
Commanding N.Z. Military Forces.

APPENDICES.

APPENDIX I.—TABLE SHOWING STRENGTH OF NEW ZEALAND MILITARY FORCES
ON 1st JUNE, 1926.

(a.) N.Z. PERMANENT FORCES.

Unit.					Officers.		Other Ranks.	
					Permanent.	Temporary.	Permanent.	Temporary.
N.Z. Staff Corps	..	..	..	..	72	..	..	..
N.Z. Permanent Staff	..	..	..	..	..	..	127	..
Royal N.Z. Artillery	..	..	..	..	13	..	105	..
N.Z. Permanent Air Force	..	..	..	..	4	..	15	..
N.Z. Army Ordnance Corps	..	..	..	..	7	..	104	7
N.Z. Army Pay Corps	..	..	..	..	5	..	11	..
N.Z. Permanent Army Service Corps	..	..	..	..	..	1	5	11
N.Z. Army Medical Corps	..	..	..	..	1	..	1	..
General Duty Section	..	..	..	..	..	..	23	2
Reserve	..	..	..	..	..	1	..	..
Totals	..	..	..	..	102	2	391	20

(b.) N.Z. TERRITORIAL FORCE (AFTER POSTINGS ON 1st JUNE, 1926).

Arm of the Service.					Officers.	Other Ranks.	Total.
Mounted Rifles	..	..	..	..	164	3,316	3,480
Artillery	..	..	..	..	118	3,860	3,978
Engineers	..	..	..	..	23	788	811
Signals	..	..	..	..	22	393	415
Infantry	..	..	..	..	357	11,537	11,894
Air Force	..	..	..	..	102	..	102
Army Service Corps	..	..	..	..	14	724	738
Medical Corps	..	..	..	..	21	600	621
Totals	..	..	..	..	821	21,218	22,039

Included in the above are 382 bandsmen.

(c.) CADETS (AFTER POSTINGS ON 1st JUNE, 1926).

Command.					Officers.	Other Ranks.	Total.
Northern	..	..	..	..	127	8,519	8,646
Central	..	..	..	..	129	8,960	9,089
Southern	..	..	..	..	183	10,851	11,034
Totals	..	..	..	..	439*	28,330	28,769

* These are Territorial officers seconded for service with the Cadets.

(d.) DEFENCE RIFLE CLUBS.

Command.					Number of Clubs.	Membership.
Northern	..	..	..	..	24	718
Central	..	..	..	..	66	2,075
Southern	..	..	..	..	66	1,955
Totals	..	..	..	..	156	4,748

APPENDIX II.—SUMMARY OF WEAPON TRAINING.

TERRITORIAL FORCE.

Rifle Course.

	Number.	Percentage to Strength.
Strength on 31st May, 1926, of units required to fire	14,607	..
Number who fired full course	12,405	85
Number who fired part course	444	3
Number who did not fire	1,758	12
Number who qualified	11,703	80
Number who did not qualify	2,904	20

Vickers Gun Course.

Number fully exercised	464	..
Number partly exercised	487	..

Light Automatic Course.

Number fully exercised	758	..
Number partly exercised	3,191	..

CADETS.

Rifle Course.

Strength on 31st May, 1926, required to fire	30,047	..
Number who fired full course	28,181	93
Number who fired part course	249	1
Number who did not fire	1,617	6
Number who qualified	27,546	92
Number who did not qualify	2,501	8

NOTE.—All percentages are worked to the nearest whole number.

APPENDIX III.—NUMBERS PRESENT AT ANNUAL TRAINING-CAMPS HELD DURING TRAINING-YEAR ENDED 31ST MAY, 1926.

				Strength of Units.			Attended Camp.			Percentage of Attendance.
				Officers.	Other Ranks.	Total.	Officers.	Other Ranks.	Total.	
N.Z. MOUNTED RIFLES.										
1st N.Z. Mounted Rifles (C.Y.C.) ..	..	20	564	584	12	430	442	75	
2nd N.Z. Mounted Rifles (Q.A.W.W.C.) ..	..	22	378	400	22	315	337	84	
3rd N.Z. Mounted Rifles (Auckland) ..	..	18	358	376	18	358	376	100	
4th N.Z. Mounted Rifles (Waikato) ..	..	17	154	171	13	158	171	100	
5th N.Z. Mounted Rifles (O.H.) ..	..	30	406	436	25	375	400	91	
6th N.Z. Mounted Rifles (Manawatu) ..	..	14	421	435	13	414	427	98	
7th N.Z. Mounted Rifles (W.E.C.) ..	..	17	319	336	14	315	329	97	
8th N.Z. Mounted Rifles (Nelson) ..	..	22	382	404	21	331	352	87	
9th N.Z. Mounted Rifles (North Auckland)		15	331	346	15	303	318	92		
Totals .. ..	..	175	3,313	3,488	153	2,999	3,152	90	
N.Z. ARTILLERY.										
1st Field Battery, N.Z.A. ..	..	6	138	144	6	138	144	100	
2nd Field Battery, N.Z.A. ..	..	7	131	138	7	120	127	92	
3rd Field Battery, N.Z.A. ..	..	4	208	212	3	187	190	90	
4th Field Battery, N.Z.A. (How.) ..	..	6	192	198	6	192	198	100	
5th Field Battery, N.Z.A. ..	..	10	200	210	10	200	210	100	
6th Field Battery, N.Z.A. ..	..	8	137	145	8	118	126	87	
7th Field Battery, N.Z.A. ..	..	6	143	149	6	105	111	74	
8th Field Battery, N.Z.A. (How.) ..	..	5	130	135	2	100	102	75	
9th Field Battery, N.Z.A. ..	..	7	185	192	5	187	192	100	
10th Field Battery, N.Z.A. ..	..	7	183	190	7	183	190	100	
11th Field Battery, N.Z.A. ..	..	8	145	153	5	145	150	98	
12th Field Battery, N.Z.A. (How.) ..	..	5	216	221	2	189	191	86	
13th Coast Battery, N.Z.A. ..	..	5	198	203	4	182	186	91	
14th Medium Battery, N.Z.A. (How.) ..	..	7	214	221	3	214	217	98	
15th Coast Battery, N.Z.A. ..	..	7	237	244	7	213	220	90	
16th Pack Battery, N.Z.A. (How.) ..	..	6	184	190	6	184	190	100	
17th Medium Battery, N.Z.A. (How.) ..	..	5	198	203	5	134	139	68	
18th Medium Battery, N.Z.A. (How.) ..	..	7	176	183	6	164	170	93	
19th Medium Battery, N.Z.A. ..	..	7	203	210	7	172	179	85	
20th Pack Battery, N.Z.A. (How.) ..	..	6	176	182	5	173	178	97	
21st Field Battery, N.Z.A. ..	..	3	84	87	3	75	78	89	
Totals .. ..	..	132	3,678	3,810	113	3,375	3,488	92	

APPENDIX III—continued.

	Strength of Units.			Attended Camp.			Percentage of Attendance.
	Officers.	Other Ranks.	Total.	Officers.	Other Ranks.	Total.	
N.Z. ENGINEERS.							
Northern Depot, Corps of N.Z. Engineers ..	7	212	219	..	192	192	87
Central Depot, Corps of N.Z. Engineers ..	7	193	200	4	174	178	89
Southern Depot, Corps of N.Z. Engineers ..	9	178	187	3	179	182	97
Totals	23	583	606	7	545	552	95
N.Z. INFANTRY.							
The Auckland Regiment (C.R.O.) ..	40	1,347	1,387	33	1,130	1,163	83
The Hauraki Regiment	23	713	736	23	713	736	100
The North Auckland Regiment	18	458	476	18	357	375	78
The Waikato Regiment	30	718	748	30	600	630	84
The Wellington Regiment	35	968	1,003	35	849	884	88
The Wellington West Coast Regiment ..	32	1,186	1,218	32	1,126	1,158	95
The Hawke's Bay Regiment	27	703	730	27	638	665	91
The Taranaki Regiment	26	763	789	26	661	687	87
The Canterbury Regiment	60	1,259	1,319	60	940	1,000	75
The Nelson, Marlborough, and West Coast Regiment	32	740	772	19	650	669	86
The Otago Regiment	46	1,057	1,103	28	702	730	66
The Southland Regiment	37	601	638	35	430	465	73
Totals	406	10,513	10,919	366	8,796	9,162	84
N.Z. ARMY SERVICE CORPS.							
Northern Depot	4	227	231	4	227	231	100
Central Depot	6	222	228	6	148	154	67
Southern Depot	4	193	197	4	160	164	83
Totals	14	642	656	14	535	549	84
N.Z. MEDICAL CORPS.							
Northern Depot	6	171	177	5	155	160	90
Central Depot	6	169	175	3	149	152	87
Southern Depot	6	153	159	5	115	120	75
Totals	18	493	511	13	419	432	88
Grand totals	768	19,222	19,990	666	16,669	17,335	87

Average attendance throughout the Forces as a whole = 87 per cent.

NOTES.—(1.) The difference in the strength of the Territorial Force as shown in Appendices I (b) and III is accounted for by the non-inclusion in Appendix III of those units that are not required to perform camp training, and also by the strength of individual units fluctuating throughout the year.
(2.) All percentages of attendance are worked to the nearest whole number.

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