

With a view to organizing the scheme and in order to co-ordinate efficiently the administration of military and civil aviation, an Air Department was established by legislation last year. Much work has already been done at Wigram to convert the station into a Flying Training School. Additional buildings have been erected and others are now nearing completion. At Ohakea considerable progress has been made in the erection of the two hangars and contracts have been called for many other buildings. At Hobsonville additional buildings for the accommodation of personnel have been completed and contracts have been called for the buildings required for the custody of aircraft and stores and for the training of technical personnel. The site for the second Operational Station has been selected at Whenuapai, near Auckland, and surveys are now being proceeded with. It is anticipated that building work on this station will commence before the end of this year.

Much work was carried out during last financial year on matters relating to aviation, and during this financial year provision is being made in the estimates for an expenditure of £1,573,900. Of this sum £493,900 is from the Air Department's vote, £730,000 for capital expenditure from the Public Works Fund, and £350,000 from the Consolidated Fund for the development of aerodromes, emergency landing-grounds, and the provision of aeradio equipment.

**Military
defence.**

On the military side particular attention has been paid to the question of strengthening the coastal defences, while certain new Territorial artillery units have been established. Orders were placed last year for various weapons, mechanized vehicles, and other military equipment to enable the most modern methods of training to be adopted by the Forces, and certain of the material is due to come to hand during the year. Work is in progress at the permanent camps at Narrow Neck, Ngaruawahia, Trentham, and Burnham to provide better facilities for territorial training and to fit these centres to carry out efficiently their functions as ordnance store depots.

The system under which single men are enabled to receive from three to six months' continuous military training is being continued and expanded. Such trainees benefit both mentally and physically and they will give added strength to the Territorial Force. The introduction of motorized transport and mechanized artillery equipment has made more interesting the methods of training of Territorials, and instruction is being given them by means of screen-training films. Provision is being made for the issue of a blue uniform to the Territorial Force, for an increase of regimental fund grants, and for the provision of recreational equipment. Further to encourage recruiting it is proposed to increase the pay and allowances of the Territorial Force, to grant pay for days occupied in travelling to and from camps and courses, as well as rail and tram fares to and from parades.

Navy.

In regard to the Navy, good progress has been made in reorganizing this service. Deliveries of material and machinery are now coming to hand, and the reconstruction of the storage and repair services at Devonport will be completed by the end of the year. The administration has been overhauled, and steps have been taken to give effect to the policy of maintaining an efficient unit consisting of two modern cruisers and ancillary services self-supporting as far as possible and working in close co-operation with Royal Navy and Royal Australian Navy units in these and neighbouring waters.

Details of the steps actually taken are reflected in the Naval Service estimates. The more important items include provision for completing the reconstruction works at the Naval Base and Kauri Point Armament Depot; for the entry of seamen under a short-service scheme of six years' active service followed by six years on the reserve; purchase of land for a naval barracks to replace "Philomel" as a naval depot; increase of oil fuel, ammunition, and stores reserves; and certain miscellaneous works involving a total of approximately £192,000 expenditure on reconstruction and development works and services.