proportion, a number of those liable to serve in the First Class Militia should be drawn by lot, and drafted into such volunteer company or companies within the district as the commanding officer of such district shall appoint, or be separately embodied if he shall so think fit; men so drawn to be allowed to find as substitutes men who have not previously undergone training. That the First Class Militia should for this purpose be defined to consist of male persons unmarried, between the ages of seventeen and thirty; men who have served for a period of two years in a volunteer corps not being liable to be drafted or to be called out as Militiamen, except for actual service. In the event of there not being a sufficient number of the First Class Militia, the number required to be drawn from the Second Class.

(3.) The Sub-Committee recommend that volunteers should be enrolled for a period of two years, and at the expiration of that term may be re-enrolled for a further period, not being less than one year. commanding officers of districts to have power to grant discharges in certain cases.

(4.) When the enrolled strength of any corps falls below the minimum required by the regulations to entitle it to commissioned officers of various grades, the commanding officer of the district should draw the attention of the officer commanding the corps to the fact, and if within three months after receiving such notice the strength of the corps should not be raised to the minimum required, then the commissions of the officer or officers above the rank to which such corps is entitled should lapse.

(5.) The Sub-Committee have perused a carefully written paper laid before them by Mr. F. Stevens, containing several valuable suggestions, which they venture to recommend to the consideration of the Defence Department, more especially as regards the expediency or otherwise of dividing the North Island into three classes of districts; but are of opinion that the classification into town

and country districts would meet the object in view, and should extend to both Islands.

(6.) The Sub-Committee think that it is desirable that the question of improving the arms now on issue to the force should be considered, and that as there is reason to believe that battery guns now disused by the Ordnance Department in England could be obtained from the Imperial Government either free or at a nominal cost, it would be advisable that an application should be made to the Home authorities with a view to obtaining the same.

(7.) They also recommend that all the Colonial Forces should be armed with the Snider rifle as

quickly as possible, and that the disused arms called in be disposed of without the Colony.

(8.) The Committee further recommend that mounted corps should be armed and drilled as mounted infantry, and that all corps should, where practicable, be instructed in the use of field and siege guns.

(9.) The Sub-Committee are of opinion that arrangements should be made for the efficient inspection of all branches of the service.

CHALLENGE SHIELD.

The Committee further recommend that the Challenge Shield now in possession of the Government, being a work of high art similar in effect to the Elcho Shield, be competed for annually in a Colonial match open to all comers, being efficient volunteers.

CAPITATION.

The Sub-Committee recommend—(1.) That the capitation be made equal for all branches of the service (cadets excepted), viz., £3 per man. (2.) That the number of drills required to entitle to full capitation should be increased to eight inspection and twelve ordinary parades. (3.) That one-third the enrolled strength should count as a parade. (4.) That one-third of the capitation money should be vested in the officer commanding each corps, to be disposed of by the finance committee of the corps, subject to his sanction and concurrence, for general company expenses. (5.) That two shillings and sixpence be paid to each volunteer who has been under arms during an inspection parade, at the conclusion thereof. (6.) That every member qualifying as an efficient, and for whom capitation money is awarded, be paid £1 within one month from the receipt thereof by the officer commanding the corps.

The above regulations to be modified to suit the case of outlying and frontier districts. A smaller number of parades to entitle to the same capitation, and the mode of distribution to be varied as may

be deemed expedient.

Uniform.

The Sub-Committee are of opinion that it is desirable that there should be uniformity of dress in each branch of the service, and recommend that a fixed Government uniform be adopted for each branch, as follows:-

> Cavalry.—Same uniform as Rifles, except riding breeches. Artillery.—Same as Dunedin or Wellington Batteries Engineers.—Same as Rifles, with distinguishing badge. Rifles.—Grey cloth, cap, tunic, trousers. Naval Volunteers.—Same as Port Chalmers Naval. Cadets.—Same as branch to which they belong.

No corps enrolled after date of issuance of regulations to be allowed to draw capitation unless clothed in the regulation uniform. Battalions to be allowed distinguishing facings, but the Companies composing each battalion to be distinguished only by the numbers on their caps. Corps already uniformed to be allowed to wear their present uniform and draw capitation for two years subsequently to the issuance of the new regulations, but thereafter to be disqualified to draw capitation money, unless the Government uniform is adopted. To carry out the above, inspecting officers should be required to certify as to whether or not the corps is uniformed as per regulation; and officers commanding corps, in signing their applications for capitation money, should be required to certify as to the uniform of the corps.

W. J. STEWARD, Chairman.