

cannot even carry the men of No 2 Company to Shelly Bay. It is a matter of necessity that a new boat properly equipped for laying mines should be ordered. The "Ballance" should be transferred to Port Chalmers, for which place she would be fairly suitable. Recently £500 has been spent on repairing her; at her next overhaul her boilers and engine will have to be taken out for certain repairs to be carried out. This boat has been running in the defence service since 1885.

Auckland.—Defence launch "Isabel" is quite unsuitable for submarine-mining work, and is worn out and unfit for further service. Orders were issued last February that no further submarine-mining work should be carried out on her for fear of an accident. A new boat should be ordered as soon as possible properly fitted as a submarine miner. This launch was originally a sailing-boat, and engined in 1886, since which time she has been running in the defence service.

Lyttelton.—Defence launch "Lyttelton" reported dangerous and unfit for further service, and her use has been discontinued. The fort work is carried out by hiring a launch as circumstances require, but this is unsatisfactory and expensive. The launch "Gordon" should be transferred from Port Chalmers to Lyttelton, for the work of which place she is suitable. The "Lyttelton" has been running in the defence service since 1886, and was built in 1876.

Port Chalmers.—Defence launch "Gordon" should be transferred to Lyttelton after the arrival of the "Ballance." She is reported to be in good order, and should last for some time yet, but is unfitted for submarine-mining work. She has been running in the defence service since 1886.

Ever since my arrival in the colony I have been urging the purchase of proper submarine-mining boats, and matters have now reached such a state that their provision is a matter of absolute necessity. Two suitable boats could be built in the colony for about the same amount as it would take to get one "service miner" out from England.

Submarine-mining work is more arduous and entails more wear and tear of clothing than almost any other kind of military duty. In the Imperial Service special allowances are made in the way of pay to attract men into the submarine branch of the Volunteer Force. It is very desirable that our men should receive as much practical instruction as possible. It does not require a large number of men to be assembled for such instruction on the water, and I recommend that the submarine-mining corps should be allowed to earn their 2s. 6d. personal payment on the following terms: A daylight parade, to which is attached a personal payment of 2s. 6d. per man, and to consist of at least three hours' work, of which work on the water must form a part, may be held when fourteen members or over are present. These parades may be held during the time a corps is in annual camp if the men can be got together during the daytime; the total amount earned by the corps during a year not to exceed the sum which would be paid if the whole corps attended six daylight parades during the year. Good practical instruction could be carried out by the proposed minimum number of men, and, as mine-fields play a very important part in "coast-fortress" defence, I consider we cannot pay too much attention to instructing the corps which will be engaged in laying them out.

INFANTRY.

The battalion organisation of the infantry is now practically complete, with the exception of the Nelson District, the corps in which are so scattered that no reality can exist for them as a battalion.

The system on the whole is working well, companies are more in touch with each other, and by being brought together in battalion learn more practical soldiering than could ever be the case under the old system when individual companies stood absolutely alone.

I see no reason now why, in the near future, the system should not be adopted in the towns in its entirety, the battalion being looked upon as the unit and not the company. In the country districts, owing to the scattered positions in which many of the companies are located, it cannot be so easily carried out, but if a more extended use of the railways was allowed the system would have a great deal more reality than it has at present. It is only by companies being brought together, seeing each other drill, and noting each others defects and perfections, that a healthy spirit of rivalry can be fostered, which must tend to raise the efficiency of the whole Force. The extended use of the railways would cost the country practically nothing, although from the fact that the Railway Department has to be paid in cash for any service it performs, the Defence Department has to take up a considerable sum annually on its estimates for railway services.

At the four centres all the companies went into combined battalion camps for their annual company training, and this, as far as I have seen, has had a marked beneficial effect.

I am sorry to say that full benefit has not been taken of the authority given to hold six daylight parades annually, at a personal payment of 2s. 6d. per man. When the orders were first issued on this subject, it was stipulated that to earn the money at least three-fourths of the members of each company should be present on parade. This was found to be too high a proportion, and it was subsequently reduced to two-thirds, and certain of the conditions regulating the numbers to be present when a battalion paraded were modified. I trust that this year all the corps in the colony will do their utmost to turn out for these daylight parades, for it is only in the field that they can learn to practically apply the instruction received in the drill-halls.

I pointed out last year that the great weakness of the Volunteer Force lies in its officers and non-commissioned officers, and am glad to be able to report that a decided improvement has taken place in this respect. This is noticeable in the towns, where more constant instruction can be given than in the country districts. The officers as a body are keen to make themselves proficient, and gladly avail themselves of all opportunities of acquiring military knowledge, but as they so rarely get their men together by daylight for field manoeuvres, they have not much chance of learning the practical part of the soldier's profession. With the progress of the non-commissioned officers I am not so satisfied. A large proportion of them have no command over