

a district has raised, equipped, and armed a body of men at its own expense, I can quite understand the desire that these men should be officered by gentlemen from their own district; but in my opinion it would have been a very much better thing for both the men and the colony had we selected the best trained officers that could be got from any part of the colony to officer the troops. Had a school of instruction been established in the colony when I first recommended it, we would by this time have had a considerable nucleus of officers available, who had undergone some practical military training.

ACTIVE UNATTACHED LIST.

This list still remains in a most unsatisfactory state. It is composed mostly of men who, whatever they might have done in the past, at present seem to take little or no interest in their military duties, although they are supposed to be Active Staff Officers. This year, again, officers were ordered to attend Easter camp. Very few of them came, and I have recommended that the names of nineteen of them should be struck off the list as inefficient. The regulations for attachment to this list should be entirely altered, and only officers who we can reasonably expect to take an active interest in volunteering, and give due assistance to the Commanding Officers of Districts, should be appointed to the list. Failure to attend two Easter camps in three years should entail the cancelling of their commissions.

DEFENCE SCHEME.

The defence scheme for the colony, which was drawn up in 1898, has been returned from England approved. The scheme was based upon the number of men which then composed the force. Numbers of corps, both mounted and infantry, have recently been accepted from all parts of the colony, without any reference to the suitability of their locations from a defence point of view, and this, of course, has entirely upset the scheme and necessitated a new one being drawn up. With a constantly varying strength of the Forces it is hopeless trying to make out a defence scheme which will be a permanent one.

Having decided on the minimum numbers of each arm which are absolutely necessary for the defence of the colony, the scheme should be based on these numbers, allocated in the most convenient places for speedy mobilisation. Surplus corps above these numbers should be treated in an auxiliary scheme annually revised, so that as long as we kept our forces up to the minimum strength there would be no great disturbance of the main scheme. This minimum number should always be kept fully armed and supplied with accoutrements and ready to take the field at once. They should, in fact, form the first army division of the colony, and their maintenance should be the first charge on our military resources.

ARMS.

Had it not been for the war in South Africa, and the large increase of strength in the Volunteer Force of this colony, all the troops would by now have been armed with .303 weapons. Nearly 1,200 carbines were taken away to Africa by the different contingents. A proportion of these, or arms to replace them, I hope will be recovered from the Imperial Government. Magazine arms are on order from England, and I recommend that the Permanent Force and Volunteers should be equipped with magazine arms, and that rifle clubs, when they become a portion of the Defence Forces, should have as their recognised weapon the single-loading .303 rifle.

I wish very strongly to bring to notice the practical impossibility of procuring either arms or warlike equipment when the Empire is in a state of war. If proper provision is not made in time of peace when material can be procured, it is hopeless to endeavour to procure any supply when the time of pressure comes.

AMMUNITION.

At the present time we have a contract for the supply of small-arm ammunition with the Colonial Ammunition Company at Auckland, and this contract practically ties us to one firm for our ammunition supply. The contract will shortly expire, and it is for consideration on what terms it should be renewed. I have no complaint to make of the quality of the ammunition supply by the company, but I must point out that it is a fallacy to call the Auckland works an ammunition factory. They are simply workshops in which the different parts of the ammunition are put together. Every article that is used in the manufacture of the ammunition is obtained from outside the colony, so that in war time all these articles would, I presume, be contraband of war, and we would be no better off in obtaining the ammunition supply than if we imported the complete ammunition direct from England. To establish a factory in which explosives, bullets, and all the parts which go to make up a complete cartridge were manufactured would entail a very large expense. It is for consideration whether it is advisable to again tie our hands in the matter of ordering ammunition supplies by binding ourselves to one firm which puts together the ammunition in the colony. A fair way, I think, would be to guarantee the firm a fixed annual order on the understanding that they kept sufficient material of all kinds in the colony to enable them to turn out at once a certain largely-increased supply in case of urgent necessity. Any quantity of ammunition in excess of the annual order that we might require should be open to tender from any other ammunition companies carrying out business within the limits of the Empire.

I have seen suggestions made, that either the Government should undertake or invite firms to undertake the manufacture of ammunition for heavy guns in the colony; but from my own experience I know that the cost of establishing the necessary works at present would be prohibitive.

DRILL-HALLS.

I reported last year the drill-halls at Auckland and Christchurch are in a bad condition, and, together with the one at Wellington, are too small for the number of men they have to accom-