

afterwards destroyed by monitors. The "Chatham" then proceeded to the Dardanelles and performed useful service there until the peninsula was evacuated. From that date until the termination of hostilities she was employed on various naval duties.

The "Philomel" will be fitted out as a training-ship for seamen and stokers who, when trained, will relieve ratings lent by the Admiralty and complete the complement of the "Chatham," later being sent for further training to England.

A small administrative staff will also be provided.

It is estimated that an expenditure of £260,000, including repairs to the "Philomel," &c., will be required during the current financial year. Details will be laid before you in due course.

DEFENCE DEPARTMENT.

The demobilization of the New Zealand Expeditionary Force has necessitated a considerable amount of administrative work and the maintenance of a large clerical staff, which is being reduced as rapidly as possible, but much yet remains to be done in connection with the medical treatment of disabled soldiers, settlement of accounts, issue of war-medals, certificates, and memorial plaques.

Since the armistice 59,890 troops have been transported to the Dominion from England and the theatres of war. In view of the difficulties involved, this important work has been carried out with efficiency and despatch.

The training of Territorials and Cadets has been maintained on the pre-war basis, except that annual camps have not been held.

The efficiency of the Territorial Force has suffered through lack of arms and equipment, but this defect will be remedied in the near future.

Last session the sum of £25,000 was voted for aviation, but of this amount £5,575 only was expended. As it is considered that aviation should develop on civil rather than on purely military lines, an advisory Air Board composed of representatives of all Departments concerned has been established.

The Department has hitherto been concerned only with the administration and training of the Territorial Force and Cadets, but in view of the future defence of this country involving the employment of Naval, Air, and Land Forces, it has been decided to establish a Committee of Defence to advise on questions of higher policy and to co-ordinate the naval, land, and air defence of the Dominion.

Hospitals under the control of the Defence Department will be handed over to civil administration as soon as practicable.

Trentham, Rotorua, and Hanmer Military Hospitals are, however, being retained by the Department temporarily, and specialist medical officers are employed at these hospitals for the benefit of the returned men requiring treatment which cannot be given at the ordinary hospitals.

Arrangements have also been made whereby, on the recommendation of the Public Health Department, civilians—more especially children requiring ortho-pædic treatment—are admitted to these hospitals on payment.

Number of patients under treatment:—

Out-patients in June, 1919	....	....	....	2,940
Out-patients in June, 1920	....	....	....	1,640
In-patients in June, 1919	....	....	....	1,890
In-patients in June, 1920	....	....	....	1,520
T.B. patients throughout New Zealand under treatment, June, 1920	....	....	....	477
T.B. patients throughout New Zealand under treatment, June, 1919	....	....	....	219

The treatment of tubercular patients constitutes one of the biggest problems the Department has had to deal with. In this connection two very suitable sanatoria have been established—one at Pukeora and one at Cashmere Hills—and staffed with medical officers specializing in this particular branch.

A T.B. patient on his discharge from a sanatorium is, on the recommendation of the O.C., supplied with a shelter or tent, or the verandah of his home, if suitable, is fitted up with screens, &c., so that the patient's living-conditions approach as near as possible to those of a sanatorium.