

In August a D.H. Puss Moth was purchased from a private owner in New Zealand for the sum of £1,000. The machine has been adapted for aerial photography, for which purpose it is more economical than the Service types.

The D.H. 50 four-passenger machine has been offered for sale by public tender.

The lack of technical accessories has militated both against the training of the Permanent and Territorial Air Force in essential military duties, and also against the utilization of the Air Force in certain public services, such as survey, &c. It is hoped to make provision for such equipment in the near future.

(d) N.Z. AIR FORCE AERODROMES.

Although the Seaplane Base at Hobsonville was completed (except for certain minor buildings) two years ago, no machine equipment essential for the maintenance of aircraft and engines has yet been installed. It is hoped to make provision for this urgent need in the present year's estimates.

At Wigram Aerodrome the construction of a dope-shop is also an urgent necessity.

Both aerodromes have been maintained in good order and minor improvements effected.

In December, 1931, a parcel of land comprising 81 acres, formerly occupied by the Canterbury Park Trotting Club, which adjoins the Wigram Aerodrome, was handed over to the Government by Sir Henry Wigram. This magnificent gift forms an invaluable addition to the present aerodrome, and arrangements are in hand to bring this area into immediate use.

(e) CIVIL AVIATION.

(1) *Commercial Aviation.*

Commercial aviation during the past year has been at a standstill. Nevertheless, there has been an appreciable increase in the number of pilots qualified for licenses, both in the private and commercial categories, as well as a steady improvement in the condition of existing aerodromes. This progress has been almost entirely due to the activities of the existing aero clubs, although, in several instances, local bodies have given valuable assistance in the development of existing sites. On the west coast of the South Island, although the terrain is generally unfavourable, local bodies are making every endeavour to obtain suitable sites.

Civil aviation statistics as at the 31st May were as follows:—

Pilot's "A" license	..	..	..	..	..	218
Pilot's "B" license	..	..	..	..	..	38
Aerodromes	..	..	..	..	..	21
Aircraft	..	..	..	..	..	64
Ground engineers	..	..	..	..	..	41

Air Navigation Regulations prepared under the authority of the Air Navigation Act, 1931, will be ready for issue in the course of the next few months, and will fill a long-felt want.

(2) *Aero Club Movement.*

Although it has not been possible to give the same measure of assistance during the past year to aero clubs, the movement has fully maintained its impetus. The number of pilots trained *ab initio* by these clubs last year reached the record figure of 116. The sum of £1,795 was paid to the clubs in the form of subsidies for "A" license pilots. No additional aircraft or material were loaned to aero clubs during the year.

(f) CONTROL OF AIR NAVIGATION.

During the year it became necessary to obtain further legislative authority to enable the Governor-General in Council to issue regulations for the proper control of air navigation in New Zealand. This was done by the passing of the Air Navigation Act, 1931, which is an adaptation, without material alteration, of the Air Navigation Act, 1920 (Imperial).

The new statute permits of local flying being regulated in accordance with the terms of the Convention relating to Aerial Navigation that was signed at Paris on the 13th day of October, 1919, and to which the New Zealand Government is a party.

The Air Navigation Act, 1931, repealed the Aviation Act, 1918.

3. TERRITORIAL FORCE.

(a) COMMANDS.

There have been the usual number of changes in command of brigades and units during the year. I wish to extend to those officers who vacated appointments my sincere thanks for the services they have so freely rendered.

(b) STRENGTH.

The strength of the Territorial Force is shown in Appendix I as at various dates throughout the year. It will be noted that there is a steady increase in numbers.

It has been found, on the whole, that country units are recruiting better than city units, and an endeavour will be made in the forthcoming year to raise the strengths of the latter.

On the whole, I am well pleased with the response in this, the first year of voluntary enlistment.