(d) ROVAL NEW ZEALAND AIR FORCE AERODROMES.

A further 55 acres was acquired at the R.N.Z.A.F. Base, Auckland, with the object of increasing the available landing-area and of providing suitable sites for the additional technical buildings and residences. At Wigram Aerodrome, Christehurch, the two hangars, workshop block, and barracks for eighty airmen, referred to in my previous report, were completed.

(e) FORMATION OF AIR DEPARTMENT.

On the 4th November, 1936, Group Captain the Hon. R. A. Cochrane, A.F.C., R.A.F., arrived in New Zealand to advise the Government on the development of aviation. His initial report advocated a thorough reorganization and recommended that the Air Force should be organized and administered as a separate Department. This action was approved by the Government, and on the 1st April, 1937, an Air Department was formed, responsible to the Minister both for service and civil aviation.

The foregoing report on the Air Services covers the period from 1st June, 1936, to 31st March, 1937, only, after which date they ceased to be under the control of the Defence Department.

A report on civil aviation as far as it affected the activities of the Defence Department is attached as Appendix III.

I wish to express to the Director of Air Services and all ranks of the Air Force my appreciation of the efficient and willing co-operation given in the past; I feel sure that it will be equally close and cordial in the future.

ADMINISTRATIVE SERVICES.

9. ORDNANCE,

(i) CHIEF ACTIVITIES.

The personnel has been engaged throughout the year in the following activities :----

- (a) Care, preservation, turnover, and accounting for all stores, arms, equipment, and clothing held in Ordnance Depots.
- (b) Receipt and classification of clothing returned from Territorials and Cadets. Allocation of clothing for dry-cleaning and renovation, and examination on return from drycleaning contractors.
- (c) Examination of new clothing supplied by contractors.
- (d) Annual inspection of rifles and light machine guns on charge to Territorial Units and Cadets, and half-yearly inspection of Vickers guns.
- (e) Issue of camp equipment and training stores for camps, bivouacs, and courses of instruction throughout the Dominion, also hire of stores to various organizations.
- (f) Sales of rifles and barrels to gunsmiths, to rifle clubs, and to general public, and sales of S.A.A. to rifle clubs.
- (g) Routine issues of clothing, arms, equipment, S.A.A. and expendable stores.

No progress has been made during the year with the stripping, cleaning, and preservation of the balance of the rifles, S.M.L.E. Mark III*, held in store, and which have not been examined since receipt from the United Kingdom in 1920. Authority has been obtained, however, for the engagement of four arms-cleaners, and the work has now started.

(ii) CREDITS.

The sum of £16,573 4s. 10d. has been received as credits for the sale of rifles, ammunition, and cordite; cloth and trimmings to contractors; waste products, &c. Of this sum, the amount of £4,751 5s. 11d. represents the proceeds of sales of cloth and trimmings to contractors for use in the manutacture of Territorial clothing.

(iii) Accommodation.

The accommodation for mobilization stores at Trentham is very unsatisfactory, and I propose to have the necessary plans and specifications prepared this year for a new building, and make provision in next year's estimates for its commencement.

(iv) ARMS.

Sales to rifle clubs and the general public have continued during the year. The total value of rifles, barrels, and components sold during the year ending 31st March, 1937 was £3,166 7s., which is about £1,000 more than any previous total during recent years. These sales involve a considerable amount of work for our Armourers, but this is counterbalanced by the returns. Four Armourer recruits were enlisted during the year, have been undergoing training, and

Four Armourer recruits were enlisted during the year, have been undergoing training, and have made good progress. In addition, two Armourer recruits for the R.N.Z.A.F. have also made satisfactory progress.

In November last, a course of instruction for all Armourers was held. This course was very successful, and should help materially to co-ordinate the work of inspection of arms throughout the Dominion.

There is a large amount of Armourers' work in arrears, but, owing to the shortage of staff, it has not been possible to undertake it.