

There are several very important recommendations affecting the efficiency of the Military Forces, now under the consideration of the Government, dealing with pay, allowances, and amenities. If these measures are approved and the present system is given whole-hearted support by all sections of the community, there is no reason why all units should not reach a satisfactory standard of efficiency.

In England whole-hearted support has been given to the Territorial Force, attendances at annual training have been very satisfactory, and as high as 86 per cent. of the establishment.

I can see no reason why the same result should not be attainable in New Zealand. It can be attained by the will of the people.

In the past our land forces have not had this support.

2. COUNCIL OF DEFENCE.

During the year a Council of Defence was set up by the Government for the purpose of advising the Government on matters of policy and for co-ordinating the activities of the three Services—the Navy, the Army, and the Air Force. The Council consists of—The Prime Minister (Chairman), the Minister of Defence, the Minister of Finance, the Chief of the Naval Staff, the Chief of the General Staff, the Chief of the Air Staff, the Secretary to the Treasury, the Permanent Head, Prime Minister's Department, and such other Ministers, Members of Parliament, or Government servants as may be appointed. Secretary: The Secretary of the Organization for National Security.

3. REORGANIZATION AND ESTABLISHMENT OF ARMY BOARD.

By the Army Board Act, 1937, which became law on the 6th November, 1937, an Army Board was established, and charged with the control and administration of the Army (hitherto termed the "Defence Forces"). It was extended such powers, duties, and functions as may from time to time be conferred on it by regulations under the principal Act (the Defence Act, 1909). The Army Board Act provides that the Board shall consist of:—

- (a) The Minister (President).
- (b) Not more than three other members (being officers of His Majesty's Land Forces) appointed from time to time by the Governor-General.
- (c) The Army Secretary. (At the commencement of the Act the Under-Secretary of Defence, Mr. H. Turner, was deemed to have been duly appointed as the Army Secretary.)

In regard to (b), on the 6th November, 1937, Major-General J. E. Duigan, C.B., D.S.O., N.Z.S.C., Chief of the General Staff, relinquished the appointment of General Officer Commanding N.Z. Military Forces, and was appointed the First Military Member of the Army Board, and Lieut.-Colonel (temporary Colonel) O. H. Mead, D.S.O., N.Z.S.C., Adjutant and Quartermaster-General, was appointed the second Military Member. On the 31st January, 1938, Colonel Mead relinquished his appointment on the Board, and on the 1st February, 1938, Colonel E. Puttick, D.S.O., N.Z.S.C., who had succeeded Colonel Mead in the appointment of Adjutant and Quartermaster-General, was appointed the Second Military Member.

The Army Secretary's duties and functions in relation to the Army are to be as the Army Board may from time to time determine or as may from time to time be prescribed by regulations under the principal Act.

With the change of administration, certain consequential amendments to the Defence Act, 1909, and its amendments, were made by the Army Board Act, chief amongst which was the deletion of all references to the "Commandant of the Forces" and the substitution of the term "Army Board" where appropriate.

The following changes in designations were made on the 1st September, 1937:—

- "General Headquarters" was changed to "Army Headquarters," the three military commands became known as military districts, and the regimental districts became areas. The boundaries of districts remain unchanged, and in only one or two cases has it been found necessary to alter the boundaries of areas.

The constitution of an Army Board brings New Zealand into line with other Dominions as part of the British Commonwealth of Nations.

Since the Board was established thirteen meetings have been held for the period which ended 31st May, 1938.

4. REGULAR FORCES.

(a) STRENGTH.

The strength of the Regular Forces is shown in Appendix I (a).

(b) ESTABLISHMENTS.

The establishment of units of the Regular Forces is the minimum number required to fulfil two distinct functions—first, the efficient command, training, and administration of the Military Forces in peace; and, secondly, forming the nucleus on which is built up the staff and services necessary for the expansion of the Forces in an emergency. The authorized peace establishment for Regular officers will not, under the existing system, be attained until 1943.

The requirements of personnel for the New Zealand Army Ordnance Corps are dealt with herein under "Administrative Services."