BRITISH EMPIRE (continued)

NEW ZEALAND

GENERAL

Area .................. 268,998 sq. km.
Population (31-XII-27) ......... 1,464,268
   Per sq. km. ............... 5.4
Length of railway lines (31-III-1927) ..... 5,092 km.

I.

Army.

A. SUPREME MILITARY AUTHORITY AND ITS ORGANS

The government of the Forces is vested in the Crown. The Minister of Defence, being charged essentially with the administration of the N.Z. Military Forces, decides questions of policy, and issues his instructions accordingly; but the actual command and the issuing of orders for carrying out these instructions are the function of the General Officer Commanding. An officer is appointed in each of the three military commands of the Dominion to command and administer such units as are located in his command.

1. DEFENCE DEPARTMENT.

The Department of Defence is organised as follows:

(a) Minister of Defence.
(b) General Officer Commanding the N.Z. Military Forces.
(c) Branch of the General Staff.

The Chief of the General Staff, who is assisted by the Director of Military Training and Intelligence, assisted himself by 3 General Staff Officers for Training, Operations and Intelligence, and a Director of Signals.

The Chief of the General Staff is responsible to the General Officer Commanding for advice as to conduct of military operations; war organisation, fighting efficiency, and training of the Military Forces; collection of intelligence, etc.
(d) Branch of the Adjutant-General.
The Adjutant-General is responsible for peace organisation of the Military Forces; recruiting, discipline, administration, etc.

(e) Branch of the Quartermaster-General.
The Quartermaster-General is responsible for administration of transport, remount, veterinary, ordnance, etc., services.

(f) Air Services.
Director of Air Services.

(g) Artillery Services.
Director of Artillery.

(h) Financial Services.
Financial Adviser.
Director of Financial Services.

(i) Judge Advocate-General and Deputy-Judge Advocate-General.

(j) General Headquarters School of Instruction.
Small-Arms School.
Physical Training.
Permanent Force Training Cadre.

(k) Ordnance Depot.

2. Command.
The Command is vested in the G.O.C. New Zealand Military Forces, who is responsible to the Minister of Defence. The G.O.C. is assisted by a G. O. I/c Administration and a General Staff, which latter is divided into G., A. and Q. branches.

3. Air Board.
An Air Board, consisting of three Naval and Military Officers and five Senior Administrative Officers of the Civil Service, has been set up to act purely as an advisory body to the Government on all matters concerning aviation in the Dominion.


1. Mobilisation Committee:
Chief of the General Staff (Chairman);
Director of Military Training and Intelligence;
Adjutant-General;
Director of Artillery.

2. Establishments Committee:
Chief of the General Staff (Chairman);
Director of Military Training and Intelligence;
Adjutant-General;
Quartermaster-General;
Director of Artillery.
3. Small-Arms Ammunition Committee:
   Director of Artillery (Chairman);
   Director of Military Training and Intelligence;
   Quartermaster-General;
   Director of Ordnance Services;
   Director of Financial Services.

B. TERRITORIAL MILITARY COMMANDS

New Zealand is divided into three Commands: Auckland or Northern, Wellington or Central, South Island or Southern. Each Command is subdivided into four Regimental Districts, each of which furnishes one battalion and a proportion of other troops mentioned below.

In a national emergency each Regimental District could provide extra battalions up to the extent of the man-power and equipment available. Regimental Districts are subdivided into areas for registration purposes, each in charge of an officer and a small staff for training and administration.

C. CONSTITUTION AND ORGANISATION OF THE MILITARY FORCES

GENERAL.

The Military Forces in New Zealand, the headquarters of which are in Wellington, consist of the Permanent Forces and the Territorial Force.

All male inhabitants between the ages of 17 and 55 years, with certain exceptions, who have resided in the country for six months, and are British subjects, are liable to be trained and serve in the Militia.

Between the ages of 14 and 17 years, youths are trained as Senior Cadets. Between 18 and 24 years of age, they are trained in the Territorial Force; from 25 to 29 years of age in the Territorial Force Reserve. The Territorial Force is by law not to exceed 30,000 men, and is liable for service in New Zealand only, but individual members may volunteer for service abroad. In time of war and when being exercised, its members become subject to the Army Act.

I. PERMANENT FORCE.

The Permanent Force is organised in such a manner as to enable it to carry out administrative and instructional duties for the Territorial Force and Cadets, and includes a small number of personnel for the care and maintenance of defence works, war material and stores.

Men enlist for a term of 5 years and can re-engage for permanent service up to 55 years of age or until they have had 35 years’ service. Extension of service up to 60 years of age may be permitted, if necessary, to enable the soldier to qualify for a pension.

1 In practice, men are only trained for 3 years in the Territorial Force.
The Units of the Permanent Forces are the New Zealand Permanent Staff Corps, the Royal New Zealand Artillery, the New Zealand Permanent Air Force, the New Zealand Army Ordnance Corps, the New Zealand Army Pay Corps, the New Zealand Medical Corps, and the New Zealand Permanent Army Service Corps.

The New Zealand Permanent Forces are charged with the training of the Forces and the administration of all matters connected therewith.

The Royal New Zealand Artillery supply the necessary instructors for the Territorial Artillery, provide cadres for the Field Artillery Units, and maintain the harbour defences and artillery equipment throughout the Dominion.

The New Zealand Permanent Staff provides drill instructors and custodians of defence property and equipment, and also carries out administrative functions.

The New Zealand Army Ordnance Corps are in charge of the mobilisation equipment and bulk depots of the Forces.

2. TERRITORIAL FORCE.

The Territorial Force consists of:

3 Mounted Rifle Brigades (9 Regiments, 32 Squadrons);
3 Field Artillery Brigades (15 Field Batteries);
2 Coast Artillery Groups (6 Batteries);
3 Depot Companies of Engineers;
3 Depot Companies of Signal Corps;
3 Infantry Brigades (12 Regiments comprising 53 Battalions and 41 Cadet Battalions);
3 Depot Companies of Army Service Corps;
3 Depot Companies of Medical Corps.

On mobilisation each command provides ammunition columns, sanitary sections and mobile veterinary sections in addition.

Service in the Territorial Force is for three years. Officers are commissioned either from members of the New Zealand Expeditionary Force, who served therein as non-commissioned officers or temporary officers, or from non-commissioned officers in the Territorial Force of the rank of corporal and above.

All male inhabitants of New Zealand from 18 to 25 years who have resided therein for six months, and are British subjects, are liable to be trained in the Territorial Force.

3. RESERVE.

The Reserve consists of the Reserve of Officers, the Permanent Force Reserve, Territorial Force Reserve, and the General Reserve.

The Reserve of Officers consists of all officers of the Permanent Force, Territorial Force, and of all the obligatory Forces raised on mobilisation who are posted thereto.

The Permanent Force Reserve consists of all members of the Permanent Force posted thereto.

The Territorial Force Reserve consists of all other ranks posted thereto from the date of posting thereto until June of the year in which they attain thirty years of age.
The General Reserve consists of all male inhabitants of New Zealand who are liable for military service, and who are not serving in the Permanent Force or in the Territorial Force or in other sections of the Reserve.

General Officer Commanding.

The General Officer Commanding N. Z. Military Forces is responsible to the Government for the recruiting, organisation, maintenance, efficiency, training and readiness for war of the Forces under his command, and for advice on all questions of military policy affecting the security of the Dominion and as to the conduct of military operations. He is responsible for fixing the establishments, and for the preparation of schemes for mobilisation and defence of the Dominion.

4. Rifle Clubs.

Rifle Clubs exist for the purpose of educating non-members of the Naval and Military Forces and the public generally in the necessity for training citizens to shoot. They are affiliated to, but do not form part of, the Defence Force; any British subject between the ages of 18 and 55 years, including members of the Territorial Force and trainees temporarily placed on the non-effective list, are eligible to join. The regulations as to members having to fire an annual musketry course and the rendering of reports and returns to the military authorities have been abolished, and the Clubs are now permitted to manage their own affairs. There are (March 31st, 1928) 144 Clubs with 4,238 members.

5. Cadets.

All male inhabitants of New Zealand who have resided therein for six months and are British subjects are liable to be trained in the Senior Cadets from 14 to 18 years of age.

The strength on March 31st, 1928, is 525 officers and 33,939 other ranks.

Cadets in each area are organised into battalions to facilitate economy in administration.

The organisation of Cadet Battalions is as follows:
A battalion consists of a headquarters and from four to six companies;
A company consists of from four to six platoons;
A platoon consists of from twenty-five to fifty of all ranks.

D. Aviation

The New Zealand Permanent Air Force has recently been formed as a unit of the Permanent Military Forces and the New Zealand Air Force as a branch of the Territorial Force.

The former consists of a nucleus of officers and other ranks who take charge of the newly acquired aerodrome and carry out instructional duties.

The latter consists of officers and other ranks who have had experience in the Royal Air Force and Air Force of other Dominions, and who may be called upon to perform such refresher training as may be laid down by the General Officer Commanding. The aerodrome
and plant of the Canterbury Aviation Company at Christchurch have been acquired by the Government and will be used in the training of the Territorial Air Force.

The Command is vested in the General Officer Commanding New Zealand Military Forces who is responsible to the Minister of Defence.

The General Officer Commanding is assisted by a General Staff consisting of the Chief of the General Staff and staff officers in charge of "G", "A" and "Q" branches (designated respectively the Director of Military Training and Intelligence, the Adjutant-General and the Quartermaster-General), by Directors of Artillery Ordnance, Medical Services and Financial Services and by an Air Board with a permanent secretary at General Headquarters.

An Air Board, consisting of three naval and military officers and five senior administrative officers of the Civil Service, has been set up to act purely as an advisory body to the Government on all matters concerning aviation in the Dominion.

Strength (1927-28): The New Zealand Permanent Air Force has an establishment of 5 officers and 16 other ranks.

The strength of the New Zealand Territorial Air Force stands at 95 officers, 9 cadet pilots under instruction and 20 other ranks.

E. BUDGETARY EFFECTIVES FOR 1927-28

I. PERMANENT FORCE.

<table>
<thead>
<tr>
<th>Category</th>
<th>Commandant</th>
<th>Colonels-Commandant</th>
<th>Colonels</th>
<th>Lieut.-Colonels</th>
<th>Majors</th>
<th>Captains</th>
<th>Lieutenants</th>
<th>Total of Officers</th>
<th>Other Ranks</th>
<th>General Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Corps and Permanent</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>6</td>
<td>18</td>
<td>28</td>
<td>25</td>
<td>82</td>
<td>118</td>
<td>200</td>
</tr>
<tr>
<td>Royal Artillery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Ordnance Corps</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay Corps</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Service Corps</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Corps</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caretakers, etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aviation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>8</td>
<td>24</td>
<td>46</td>
<td>36</td>
<td>119</td>
<td>396</td>
<td>515</td>
</tr>
</tbody>
</table>

1 Plus 1 Director and 4 Assistant Directors.

2. TERRITORIAL FORCE.

The strength on March 31st, 1928, of the Territorial Force is 1,069 officers and 20,440 other ranks.

3. POLICE FORCE.

(In charge of Police Department.)

Police Officers                        1,139
F. RECRUITING SYSTEM

Enlistment.

Enlistments in all units of the Permanent Force are for a term of five years, of which the first twelve months are on probation, during which probationary period candidates are liable to be discharged if found unsuitable. On completion of twelve months' service they are, if satisfactory, confirmed in their appointments.

Promotion.

On completion of the original period of enlistment, warrant officers, non-commissioned officers and men may, if recommended by the officer commanding their unit or corps, be permitted to re-engage for permanent service up to the age of fifty-five years, provided that no private soldiers will be permitted to re-engage unless they have qualified for promotion.

Discharge.

With the exception of the Royal N. Z. Artillery, warrant officers, non-commissioned officers and men may be permitted to take their discharge during their original term of engagement, on the recommendation of the officer commanding their regiment or corps, provided the exigencies of the service permit. After the completion of their original term of engagement, and subject to giving one month's notice, they may claim their discharge at any time unless a state of great emergency or national danger exists.

Every member of the Royal N. Z. Artillery may obtain his discharge at his own request at any time during the first three years of his service on payment of the sum of £10, and at any time during the next succeeding two years on payment of the sum of £5, and after five years of service without payment, provided that the right conferred by this paragraph shall not be exercisable during any period in which the N. Z. Permanent Force is on active service.

G. TRAINING

Subject to the provisions of the Defence Act, all male inhabitants of New Zealand who have resided therein for six months and are British subjects are liable to be trained:

(a) In the Cadets, from June 1st in the year in which they attain the age of fourteen years (or the date of their leaving a primary school, if later) until May 31st in the year in which they attain the age of eighteen years (or such later date on which they cease to attend a secondary school).

(b) In the General Training Section or Territorial Force from June 1st of the year in which they attain the age of eighteen years (or such later date immediately following that on which they cease to attend a secondary school) until June 1st of the year in which they attain the age of twenty-five years (or such earlier date on which they may have been posted to the Reserve); and

(c) In the Reserve from the date of posting thereto until June 1st of the year in which they attain the age of thirty years.
The obligatory training for the year 1928-29 is as follows:

I. Territorial Force.

All units and corps except N.Z. Corps of Signals, Medical and Veterinary Corps: six half-day parades, twelve drills and a prescribed weapon course, which will be carried out during the half-day parades above referred to.

N.Z. Corps of Signals.

Four courses, each of one week, consisting of three-hours' parade on five consecutive evenings and the afternoon of the Saturday in each period; six half-day parades; prescribed rifle course.

2. Cadets.

Thirty drills of one and a-half hour's duration, six half-day parades and a prescribed rifle course.

Postings effected in 1925. — Details in regard to the postings of trainees effected in June, 1925:

Registered for training (including registrations held over from previous year) ........................................ 14,599

Disposal

\[
\begin{align*}
(a) & \text{ Posted to Cadet units } \quad 9,325 \\
(b) & \text{ Posted to Territorial Force } \quad 664 \\
(c) & \text{ Posted to non-Effective List, Cadets } \quad 2,832 \\
(d) & \text{ Posted to non-Effective List, Territorials } \quad 973 \\
\end{align*}
\]

Total of \(a\) to \(d\) ................................ 13,794

Not posted ................................ 805

Liable for posting to Territorial Force .... 10,810

Actually posted to units of the Territorial Force ........................................ 6,286

Not posted ................................ 4,524

3. Reserve.

Officers and N.C.O.s carry out a compulsory seven-days' refresher course in camp or at an annual training with their unit every third year; the men do no training.

4. Rifle Clubs.

Active members are no longer required to carry out a musketry course. The free issue of 200 rounds to each member has been suspended, but members may purchase up to 500 rounds at reduced rates.
5. MILITARY ESTABLISHMENTS.

There is a General Headquarters School, at which there are refresher courses for officers and N.C.O.s of the Permanent Force and courses in signalling, musketry, physical and recreational training, infantry drill, etc., for officers and N.C.O.s of the Territorial Force.

Other training establishments are: Woolwich Dockyard; Equitation School; Small-Arms School; School of Artillery; School of Signals; School of Education; Machine-Gun School; Artillery College.

H. ARSENALS, ETC.

The Colonial Ammunition Company is under contract to supply the Defence Department with ammunition.

Sufficient raw materials to meet requirements are obtained from England and supplied by the company. Cordite is obtained from England and supplied by the Defence Department.

Arrangements have been made whereby a reserve of cordite will always be maintained. Small-arms, field guns and other armaments are procured from the United Kingdom as are all kinds of gun ammunition and explosives.

II.

Navy.

LIST OF UNITS.

(February 1st, 1928)

Cruisers.


Training ship (ex-cruiser).

Philomel (1890) 2,575 tons. Dimensions: 278×41×16½ (max.) feet. Guns: 1 6-inch, 1 4-inch, 2 12-pdr.

**SUMMARY TABLE OF NAVAL UNITS**

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Tonnage</th>
<th>Depreciated tonnage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cruisers</td>
<td>2</td>
<td>9,415</td>
<td>5,545</td>
</tr>
<tr>
<td>Naval effective (1927-28)</td>
<td>1,144</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 On January 1st, 1928.

1 Date of completion.
III.

Budget Expenditure on National Defence.

A. Notes on Budget Procedure.

(1) The financial year covers the period April 1st to March 31st. The usual practice is for Parliament to meet at the end of June and vote supplies from month to month until the estimated expenditure for the year has been approved, the expenditure and revenue for the intervening period being provided for by temporary authorisations.

(2) The budget is divided into three main parts: the Consolidated Fund, the Public Works Fund, and a large number of separate funds or accounts. The Consolidated Fund comprises the current expenditure of the various departments, including the Departments of Defence and Naval Defence. Among the separate accounts are the following, which represent more or less expenditure resulting from the war: Land for Settlement Account (Discharged Soldiers Settlement Account); War Expenses Account; Discharged Soldiers Settlement Account; Discharged Soldiers Settlement Loans Act, 1920, Depreciation Account; and the Hunter Soldiers Assistance Trust Account.

(3) As regards the receipts collected by the various departments in the course of their activities, the New Zealand budget is in the main a net budget, these receipts being carried to the credit of the votes of the corresponding departments as appropriations-in-aid and set off against expenditure. There are, however, exceptions, but none of these relates to the Defence Department.

B. Budget Expenditure on National Defence.

I. Summary of Defence Expenditure (Net).

<table>
<thead>
<tr>
<th></th>
<th>1925-26</th>
<th>1926-27</th>
<th>1927-28</th>
<th>1928-29</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Closed Accounts</td>
<td>Estimates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Naval Defence</td>
<td>£441,203</td>
<td>£527,023</td>
<td>£486,830</td>
<td>£449,011</td>
</tr>
<tr>
<td>Defence Department</td>
<td>£459,293</td>
<td>£493,274</td>
<td>£481,759</td>
<td>£461,816</td>
</tr>
<tr>
<td>Total</td>
<td>£900,496</td>
<td>£1,020,297</td>
<td>£968,589</td>
<td>£910,827</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Defence Expenditure Index</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100</td>
<td>113</td>
<td>108</td>
<td>101</td>
</tr>
</tbody>
</table>

Index Number of wholesale prices:

<table>
<thead>
<tr>
<th>Year</th>
<th>1913 = 100</th>
<th>1925-26 = 100</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>160</td>
<td>153</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>96</td>
</tr>
</tbody>
</table>

Index Number of Defence Expenditure reduced to the 1925-26 price level...

|            | 100 | 118 | 118 | 110  |

1 Average, April to August 1928.

The summary above includes expenditure on some so-called non-effective services, Rifle clubs, National Rifle Association, etc., but not debt service or pension charges.

The table does not include the expenditure charged to the separate accounts for post-war expenditure. Practically all of the expenditure shown in the last-named accounts represents settlements of claims, etc., arising from the war period, and does not constitute a development of the fighting forces of the Dominion.
II. Analysis of Defence Expenditure.

<table>
<thead>
<tr>
<th></th>
<th>1925-26</th>
<th>1926-27</th>
<th>1927-28</th>
<th>1928-29</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Closed Accounts</td>
<td>Estimates</td>
<td>Closed Accounts</td>
<td>Estimates</td>
</tr>
<tr>
<td>I. Naval Defence:</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Gross Total</td>
<td>455,645</td>
<td>559,896</td>
<td>520,338</td>
<td>489,961</td>
</tr>
<tr>
<td>Credits-in-aid</td>
<td>14,442</td>
<td>32,873</td>
<td>33,505</td>
<td>40,950</td>
</tr>
<tr>
<td>Net Total</td>
<td>441,203</td>
<td>527,023</td>
<td>486,830</td>
<td>449,011</td>
</tr>
<tr>
<td>II. Defence Department:</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>N.Z. Staff Corps</td>
<td>34,458</td>
<td>36,615</td>
<td>39,045</td>
<td>39,179</td>
</tr>
<tr>
<td>N.Z. Permanent staff.</td>
<td>44,558</td>
<td>44,533</td>
<td>44,600</td>
<td>45,301</td>
</tr>
<tr>
<td>Royal N.Z. Artillery</td>
<td>41,105</td>
<td>38,742</td>
<td>38,018</td>
<td>36,958</td>
</tr>
<tr>
<td>N.Z. Army Ordinance Corps</td>
<td>37,980</td>
<td>37,921</td>
<td>38,054</td>
<td>38,392</td>
</tr>
<tr>
<td>N.Z. Army Pay Corps</td>
<td>6,871</td>
<td>6,881</td>
<td>6,829</td>
<td>6,784</td>
</tr>
<tr>
<td>N.Z. Army Service Corps</td>
<td>3,652</td>
<td>3,240</td>
<td>3,784</td>
<td>4,003</td>
</tr>
<tr>
<td>N.Z. Army Medical Corps</td>
<td>1,717</td>
<td>2,199</td>
<td>2,244</td>
<td>2,302</td>
</tr>
<tr>
<td>General Duty Section</td>
<td>5,706</td>
<td>7,090</td>
<td>8,660</td>
<td>9,499</td>
</tr>
<tr>
<td>Civilian personnel</td>
<td>17,192</td>
<td>16,763</td>
<td>17,014</td>
<td>17,148</td>
</tr>
<tr>
<td>Military education of officers abroad</td>
<td>7,332</td>
<td>8,181</td>
<td>11,229</td>
<td>9,395</td>
</tr>
<tr>
<td>Purchases, maintenance and training</td>
<td>243,850</td>
<td>284,580</td>
<td>260,731</td>
<td>228,660</td>
</tr>
<tr>
<td>Aviation</td>
<td>29,521</td>
<td>27,337</td>
<td>28,878</td>
<td>43,705</td>
</tr>
<tr>
<td>Non-effective Services</td>
<td>3,789</td>
<td>8,748</td>
<td>5,818</td>
<td>3,000</td>
</tr>
<tr>
<td>National Rifle Association</td>
<td>2,421</td>
<td>1,463</td>
<td>2,028</td>
<td>1,570</td>
</tr>
<tr>
<td>Rifle clubs</td>
<td>535</td>
<td>793</td>
<td>372</td>
<td>400</td>
</tr>
<tr>
<td>Gross Total</td>
<td>480,687</td>
<td>525,086</td>
<td>507,504</td>
<td>486,266</td>
</tr>
<tr>
<td>Credits-in-aid</td>
<td>21,394</td>
<td>31,812</td>
<td>25,743</td>
<td>24,450</td>
</tr>
<tr>
<td>Net Total</td>
<td>459,293</td>
<td>493,274</td>
<td>481,759</td>
<td>461,816</td>
</tr>
<tr>
<td>GRAND TOTAL (net)</td>
<td>900,496</td>
<td>1,020,297</td>
<td>968,589</td>
<td>910,827</td>
</tr>
</tbody>
</table>

Of the net Naval Defence estimates for 1928-29, £228,711 was for salaries and the balance for other charges; similarly, the first nine items in the estimates for the Defence Department were for salaries and the remainder for other charges.

In addition to the expenditure on Naval Defence shown in the budget of the Fighting Services, £89,387 was spent in 1927-28 under Permanent Charges on account of Interest and Repayment of Funded Debt relating to the Naval Defence Act of 1909 — H.M.S. New Zealand; and a sum of £89,379 is included in the budget for 1928-29.

III. Expenditure referring to Previous Years.

(1) Pensions: Neither the ordinary pensions of the fighting services nor war pensions are charged to the military budgets. Included in the Permanent Appropriations of the Consolidated Fund (Ordinary Revenue Account) are the following:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1925-26 \ 1926-27 \ 1927-28 \ 1928-29</td>
<td>£ \ £ \ £ \ £</td>
<td>£ \ £ \ £ \ £</td>
</tr>
<tr>
<td>Closed Accounts \ Estimates</td>
<td>23,087 \ 19,446 \ 16,377 \ 14,000</td>
<td>2,898 \ 2,627 \ 2,695 \ 2,700</td>
</tr>
</tbody>
</table>
(2) No Debt Service is charged to the budgets of the fighting services, but in the Consolidated Fund appropriations certain sums are specified as interest and sinking funds on War Loans or on liabilities incurred for discharged soldiers' settlement and for naval defence. The details available are as follow:

<table>
<thead>
<tr>
<th>1925-26</th>
<th>1926-27</th>
<th>1927-28</th>
<th>1928-29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closed Accounts</td>
<td>Estimates</td>
<td>Closed Accounts</td>
<td>Estimates</td>
</tr>
<tr>
<td><strong>Interest (net):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>War Expenses</td>
<td>£3,638,442</td>
<td>£3,545,644</td>
<td>£3,489,334</td>
</tr>
<tr>
<td>Discharged soldiers settlement</td>
<td>£133,166</td>
<td>£292,257</td>
<td>£81,628</td>
</tr>
<tr>
<td>Naval Defence</td>
<td>£67,869</td>
<td>£66,787</td>
<td>£65,800</td>
</tr>
<tr>
<td><strong>Amortisation and reduction of Funded Debt:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Naval Defence Act, 1909</td>
<td>£21,379</td>
<td>£22,456</td>
<td>£23,587</td>
</tr>
<tr>
<td><strong>War Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance Act, 1916, § 35</td>
<td>£55,609</td>
<td>£58,409</td>
<td>£61,351</td>
</tr>
<tr>
<td>Public Revenues Amendment Act, 1914, § 8</td>
<td>£24,271</td>
<td>£25,493</td>
<td>£26,777</td>
</tr>
<tr>
<td>Public Revenues Amendment Act, 1915, § 5</td>
<td>£95,161</td>
<td>£99,954</td>
<td>£104,988</td>
</tr>
<tr>
<td>War Purposes Loan Acts, 1917</td>
<td>£56,702</td>
<td>£59,559</td>
<td>£62,557</td>
</tr>
</tbody>
</table>

(3) The following table shows the position of certain separate accounts which more or less represent expenditure in consequence of the war:

<table>
<thead>
<tr>
<th>1925-26</th>
<th>1926-27</th>
<th>1927-28</th>
<th>1928-29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharged Soldiers Settlement Account</td>
<td>£1,820,170</td>
<td>£333,611</td>
<td>£3,211</td>
</tr>
<tr>
<td>Discharged Soldiers Loans Act, 1920, Depreciation Fund Account</td>
<td>£126,273</td>
<td>£295,047</td>
<td>£3,084</td>
</tr>
<tr>
<td>Hunter Soldiers Assistance Trust Account</td>
<td>£1,693,897</td>
<td>£38,564</td>
<td>£127</td>
</tr>
<tr>
<td>Land for Settlements Account (Discharged Soldiers Settlement Account)</td>
<td>£40,441</td>
<td></td>
<td></td>
</tr>
<tr>
<td>War Expenses Account</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

At the end of 1927–28 the balance remaining on these accounts was £1,108,863. The War Expenses Account was closed in accordance with Section 13, Finance Act, 1925.