

CHAPTER XII.

DEFENCE.

§ 1. Military Defence.

1. *State Systems.*—A detailed historical account of the Australian defence forces prior to Federation will be found in Official Year Book No. 2, pp. 1075–1080. See also Official Year Book No. 12, p. 999.

The strength of the military forces of the States on the 31st December, 1900 (the eve of Federation) was :—New South Wales, 9,338 ; Victoria, 6,335 ; Queensland, 4,028 ; South Australia, 2,932 ; Western Australia, 2,696 ; Tasmania, 2,024 ; total for Australia, 27,353. This total was exclusive of cadets, reservists, and rifle club members.

2. *Commonwealth System.*—(i) *General.* Under the terms of the Constitution Act 1900, the Commonwealth took over control of defence matters in March, 1901. The growth of the Commonwealth Military Forces may be considered to have taken place in five phases, viz. :—

- (a) The first phase, i.e., the welding together of the military forces of the States into one homogeneous army, was entrusted by the Government in 1902 to Major-General Sir Edward Hutton, K.C.B., K.C.M.G., and a sound foundation was laid, upon which the subsequent organization and training were based.
- (b) The second phase was the introduction of Universal Training in 1911. During the year 1909 a measure providing for universal training was enacted, and the scheme came into force in 1911 after the advice and recommendations of the late Lord Kitchener had been obtained. By the Defence Acts of 1903 and 1904 all male inhabitants between the ages of 18 and 60 years were made liable to serve in Australia with the defence forces in *time of war*. Subsequent legislation made training and service compulsory up to the age of 26 years *in time of peace*. By the Act of 1909 the principle of universal liability to training was made law for the first time in any English-speaking community. More detailed reference to these matters will be found in Official Year Book No. 12, p. 999 *et seq.*
- (c) The third phase, *Divisional Organization*, came into operation from the 1st May, 1921. Under this system a war organization, evolved from the Australian Imperial Force, is applied to peace conditions, with a minimum of permanent personnel. Numbers of units and formations were altered to correspond with those of the A.I.F. and every effort was made to maintain the traditions established by those units in the Great War.
- (d) The fourth phase, which was initiated by the Government in 1922, entailed the reduction of the Divisional Organization to a nucleus force.
- (e) The fifth phase, the suspension of all compulsory obligations *in time of peace* (under Part XII. of the Defence Act) and the reconstitution of the forces on a basis of voluntary enlistment, was brought into operation as from 1st November, 1929. The Divisional Organization was retained, but the peace nucleus was reduced from 48,000 Citizen Forces and 16,000 Senior Cadets to 35,000 Militia Forces and 7,000 Senior Cadets by reductions in the training establishments of units and by ceasing to maintain certain light horse regiments and infantry battalions. The peace nucleus of the Militia Forces was further reduced to 30,000 in 1931.

(ii) *Military Population.* In connexion with the numbers available, the figures of male population are of interest. The total number at cadet age, i.e., between 12 and 18, at the Census of 1921 (4th April), was about 300,000 ; at citizen soldier age, i.e., between 18 and 26, 354,000 ; these latter, with 409,000 at ages between 26 and 35, give 763,000 as the total males at the best period for military service. It is estimated that 529,000 of those available between the ages of 18 and 35 were unmarried or widowers without children, and 233,000 were married or widowers with children. In addition, there were about 768,000 between the ages 35 and 60. In connexion with the foregoing figures it should be noted that since the Census of 1921 the total male population of Australia has increased from 2,762,870 to 3,363,546 at the 30th June, 1933 (preliminary Census count)

(iii) *Allotment of Units.* The organization is territorial, and the divisions are based upon infantry units. There are 46 battalions, forming 14 brigades. The areas have approximately equal numbers of males of citizen soldier age, and each furnishes a battalion of infantry, and a proportion of other troops.

ALLOTMENTS OF UNITS TO AREAS, 31st MARCH, 1933.

State.	Military District.	Number of Infantry Brigade Areas.	Battalion Areas.										
			Number of Battalion Areas. (a)	Providing the undermentioned Units—									Anti-aircraft Battery.
				Infantry Battalions.	Light Horse Regiments.	Field Artillery Batteries.	Medium Artillery.		Heavy Artillery.		Artillery Survey.		
							Brigade Head-quarters.	Batteries.	Brigade Head-quarters.	Batteries.			
New South Wales ..	2nd	5	18	16	6	18	1	3	1	4	1	1	
Victoria ..	3rd	5	18	16	5	17	1	3	1	2	1	..	
Queensland ..	1st	2	8	6	3	6	..	..	..	..	..	..
South Australia ..	4th	1	4	3	3	4	..	..	..	1	..	..
Western Australia ..	5th	1	3	3	1	3	..	..	..	1	..	..
Tasmania ..	6th	..	2	2	1	2	..	..	..	1	..	..
Total ..	..	14	53	46	19	50	2	6	2	12	2	1

State.	Military District.	Battalion Areas.													
		Providing the undermentioned Units—											A. V. C. Sections.		
		Engineers.		Signals.		Tank Corps.	A. A. S. C.				A. A. M. C.				
		Field.	For-tress.	Sections.	Troops.	Tank Section.	Head-quarters Supply Companies.	Head-quarters Horse Transport Companies.	Supply Sections.	Horse Transport Sections.	Field Ambulance.	Field Hygiene Sections.		A. A. O. C. Companies.	
New South Wales ..	2nd	5	3										2		23
Victoria ..	3rd	5	3	1	22	5	..	3	3	7	7	7	3	4	4
Queensland ..	1st	2	1	..	6	1	..	1	1	3	3	3	1	1	1
South Australia ..	4th	1	1	..	3	1	..	..	..	1	1	1	1	1	1
Western Australia ..	5th	1	..	1	4	..	..	..	..	1	1	1	1	..	..
Tasmania ..	6th	1	..	1	4	..	..	..	..	1	1	1	1	..	..
Total ..	..	15	8	6	62	12	1	7	7	21	21	21	10	10	10

(a) Two University battalions are not allotted to any specific battalion area.

(iv) *Strength of Military Forces. (a) Districts.* There was little alteration in the numbers serving in the Australian military forces from the institution of the Commonwealth to the year of the introduction of the compulsory training system. From 1913 to 1918, however, the annual increase was considerable. As a result of the International Conference which met at Washington on the 11th November, 1921, it was decided by the Australian Government in 1922 that the universal training law was to be continued, but its operation was to be restricted to the more populous centres and to certain quotas only. From 1st July, 1922, to 30th June, 1925, training in the Senior Cadets was limited to two quotas instead of four, and in the Citizen Forces to two quotas instead

of seven. On 1st July, 1925, Senior Cadet training was reduced to one quota only while Citizen Force training was increased to three quotas. These conditions remained in force until 1st November, 1929, when the constitution of the forces on a voluntary basis was adopted. During the period last mentioned, Senior Cadet training commenced on 1st July of the year in which Senior Cadets reached the age of 17 years, and on 1st July of the following year they were allotted to the Citizen Forces, in which training continued until the 30th June of the year in which they attained the age of 21 years. Notwithstanding the reduction in training, all males residing within 5 miles of a training centre were required to register during the months of January or February of the year in which they reached the age of 14 years. Junior Cadet training of boys of the ages of 12 and 13 years which was in abeyance during the years 1922-23 and 1923-24, was also supervised by the Defence Department during the period 1st July, 1925, to 31st October, 1929.

Under the voluntary enlistment system now in force men from 18 to 40 years of age may be enlisted. The first period of enlistment is for three years, and on its completion, the member concerned may be re-engaged for successive periods of one year until he reaches the age for retirement (48 years). The normal period of training is 16 days per annum (including 8 days in camp of continuous training).

The Senior Cadet Corps, in which enrolment is voluntary, is organized on the following basis:—(a) Detachments affiliated with Militia Units:—Light Horse, Nil; Infantry, Signals and A.S.C., 25 per cent. of the establishment of the Militia Unit; Other Arms, 20 per cent. of the establishment of the Militia Unit; and (b) Detachments consisting of pupils attending approved educational establishments. The ages for enrolment in the regimental detachments are 16 and 17 years, and in the school detachments over 14 years.

TRAINING STRENGTH OF MILITARY FORCES.

(a) District.	1901. (b) 1/3/01.	1913. 30/6/13.	1922. 31/12/22.	1929. 1/2/29.	1931. 31/3/31.	1932. 31/3/32.	1933. 31/3/33.
Army Head-Qrs. (Melbourne) ..	..	(c) 277	(c) 499	(c) 197	78	73	(d) 69
1st (Q'ld.) ..	4,310	4,625	4,319	5,610	3,892	3,369	3,289
2nd (N.S.W.) ..	9,772	12,105	14,561	18,825	11,524	10,819	10,122
3rd (Vict.) ..	7,011	10,840	11,117	15,110	10,339	10,141	9,262
4th (S. Aus.) ..	2,956	3,228	3,452	4,234	2,450	2,477	2,290
5th (W. Aus.) ..	2,283	1,685	2,018	2,600	1,820	1,715	1,656
6th (Tas.) ..	2,554	1,777	1,190	1,355	1,179	1,227	1,275
Total ..	28,886	34,537	37,156	47,931	31,282	29,821	27,963

(a) Approximately coterminous with boundaries of States. (b) Date of taking over the military forces from States by Commonwealth. (c) Including cadets at Royal Military College of Australia and Staff Corps Officers abroad, unallotted, or training with other Commonwealth Departments. (d) Including cadets at Royal Military College of Australia.

(b) *Various Arms.* The numbers of the different arms of the service on the 31st March, 1933, were as follow:—

ARMS OF THE AUSTRALIAN MILITARY FORCES, ACTIVE LIST, 31st MARCH, 1933.(a)

Head-quarters Staffs ..	..	59	Fortress Engineers ..	..	270
Staff Corps ..	..	237	Signals ..	..	1,163
Corps of Staff Cadets ..	..	30	Infantry ..	..	11,757
Instructional Corps ..	..	481	Tank Corps ..	..	45
Light Horse ..	..	4,002	Army Service Corps ..	..	1,517
Royal Australian Artillery ..	..	410	Army Medical Corps ..	..	1,092
Field Artillery ..	..	3,727	Army Ordnance Corps (b) ..	..	263
Garrison Artillery ..	..	1,491	Army Veterinary Corps ..	..	111
Royal Australian Engineers ..	..	130	Provost Staff ..	..	10
Survey Corps ..	..	15			
Field Engineers ..	..	1,153	Total ..	..	27,963

(a) Excluding civilian staff.

(b) Includes Ordnance Officers and Artificers.

(c) *Classification of Land Forces.* The following table shows the strength of the land forces in each State, classified according to nature of service, on the 31st March, 1933.

**DISTRIBUTION OF LAND FORCES,(a) ACTIVE AND RESERVE LISTS,
31st MARCH, 1933.**

Branch of Service.	Army Head-quarters.	1st Military District. (Qld.)	2nd Military District. (N.S.W.)	3rd Military District. (Vic.)	4th Military District. (S. Aus.)	5th Military District. (W. Aus.)	6th Military District. (Tas.)	Total.
Permanent Forces ..	(b) 62	136	599	476	84	120	63	1,540
Militia Forces ..	7	3,153	9,523	8,786	2,206	1,536	1,212	26,423
Engineer and Railway Staff Corps ..	2	9	6	12	11	9	5	54
Unattached List of Officers ..	5	65	135	111	13	22	9	360
Reserve of Officers ..	..	762	2,029	1,963	517	445	206	5,922
Chaplains ..	3	39	78	83	25	25	14	267
Total ..	79	4,164	12,370	11,431	2,856	2,157	1,509	34,566

(a) Excluding civilian staff.

(b) Including cadets at Royal Military College of Australia.

(d) *Militia Forces and Senior Cadets, by Formations.* The following table shows the strength of Militia Forces and Senior Cadets, by formations, at the 31st March, 1933 :—

**STRENGTH OF MILITIA FORCES AND SENIOR CADETS, BY FORMATIONS,
31st MARCH, 1933.**

State.	Military Formation.	Militia Forces.	Senior Cadets.	
			Regimental Detachments.	Educational Establishments.
Victoria ..	Army Head-quarters ..	7	..	..
Queensland ..	Field Troops, 1st Military District	3,008	375	374
Queensland ..	1st District Base ..	145	17	..
New South Wales	1st Cavalry Division ..	1,916	42	82
New South Wales	1st Division ..	2,905	403	348
New South Wales	2nd Division ..	3,777	451	542
New South Wales	2nd District Base ..	925	98	..
Victoria ..	2nd Cavalry Division ..	1,627	94	..
Victoria ..	3rd Division ..	3,709	548	567
Victoria ..	4th Division ..	2,719	266	251
Victoria ..	3rd District Base ..	731	91	..
South Australia ..	Field Troops, 4th Military District	2,130	160	271
South Australia ..	4th District Base ..	76	2	..
Western Australia	Field Troops, 5th Military District	1,343	164	114
Western Australia	5th District Base ..	193	8	..
Tasmania ..	Field Troops, 6th Military District	1,113	125	..
Tasmania ..	6th District Base ..	99	21	..
	Total ..	26,423	2,865	2,549

(e) *Numbers who served under Compulsory Provisions.* In earlier issues of the Year Book (see No. 22, pp. 411-413) tables were published showing the numbers registered and training under the compulsory system, distinguishing Citizen Forces and Senior Cadets.

(v) *Administration and Instruction.* The staff provided for the administration and training of the various arms consists of 237 officers (Staff Corps), 47 quartermasters, and 434 warrant and non-commissioned officers (Australian Instructional Corps).

(vi) *Royal Military College.* This College was established in 1911 at Duntroon in the Federal Capital Territory for the purpose of providing trained officers for the permanent forces. In January, 1931, the College was transferred to Victoria Barracks, Sydney. Admission is by open competitive examination. Thirteen Staff Cadets were admitted to the College in February, 1933. Further particulars respecting the College are given on page 915 of Official Year Book No. 15. On the 31st March, 1933, the cadets in training numbered 30.

(vii) *Railways and Defence.* A War Railway Council, consisting of military and railways officers, was instituted in 1911. Its chief duties are to furnish advice and information regarding railway transport for military purposes, and to secure co-operation between the Defence Department and the Railway Departments in regard to concentration and mobilization of troops. To prevent delay in the transport of troops, particularly that caused by the transhipment of baggage and implements of war, the Council has recommended the adoption of a uniform railway gauge on lines linking up the States' capitals. An Engineer and Railway Staff Corps has been instituted, and numbered 54 officers on 31st March, 1933. Fuller details will be found in Official Year Book No. 6, pp. 1070-1.

(viii) *Rifle Clubs.* On the 30th June, 1932, there were 1,172 rifle clubs with a membership of 44,537, and 90 miniature rifle clubs having a membership of 2,770. Members of rifle clubs must fire an annual course of musketry, but do not undergo any systematic drill.

For the purposes of administration the control of rifle club activities reverted from the Secretary for Defence to the Military Board with effect from the 1st March, 1931. Government Grants are made for the construction and maintenance of rifle ranges, etc., and 200 rounds of ammunition are issued free annually to each efficient member.

§ 2. Naval Defence.

1. *State Systems.*—Information regarding naval defence systems prior to 1901 will be found in Official Year Book No. 12, p. 1011, but considerations of space preclude its insertion in the present volume.

2. *The Present System.*—(i) *General.* An outline of the development of Australian naval policy was given in Official Year Book No. 3, pp. 1060-61, and No. 12, p. 1012. Some account of the building of the Australian Fleet, the proposed and modified cost thereof, the compact with the Imperial Government, etc., appears in Official Year Book No. 15, pp. 921 *et seq.* Up to the 30th June, 1932, the expenditure on construction amounted to £13,852,720.

The Washington Conference of 1921 had a marked effect on naval defence schemes, and all warship building and naval base construction were for a time suspended. The Fleet personnel was reduced from 4,843 in 1921 to 3,500 in 1923, and the ships in commission were reduced from 25 to 13. The battle cruiser *Australia* was sunk in accordance with the provisions of the Washington Treaty on 12th April, 1924.

In 1925 the Commonwealth Government, however, decided to build two cruisers of 10,000 tons (the maximum size allowed for new construction under the Washington Naval Treaties), two ocean-going submarines, and a seaplane-carrier. The two cruisers, which were named *Australia* and *Canberra*, were commissioned in 1928. The two submarines, *Otway* and *Oxley*, which were built in England, arrived at Thursday Island on 25th January, 1929. These latter vessels were paid off on the 9th April, 1931, and re-commissioned as H.M. Ships on the following day. They form part of the Empire quota under the London Naval Treaty of 1930. As their maintenance in the highest state of efficiency was difficult in Australia, where they were a small specialized unit, the British Government, after consultation, agreed to take over the submarines as a free

gift and maintain them at its expense. The seaplane-carrier *Albatross*, built at Cockatoo Island Dockyard, Sydney, by the Commonwealth Shipping Board, was first commissioned on 23rd January, 1929.

To ensure closer co-operation with the Royal Navy, arrangements have been concluded with the Admiralty for the periodical exchange of a cruiser, thus giving an opportunity for Australian sailors to gain experience in fleet exercises on a large scale.

The British Admiralty have, in addition, lent to the Royal Australian Navy the sloop *Silvio*, which was refitted in England as a surveying ship, and renamed H.M.A.S. *Moresby*. This vessel has been employed in surveying the Great Barrier Reef.

In 1926 the Commonwealth Government entered into an agreement with the New South Wales Government whereby the latter, in consideration of the payment of a subsidy of £135,000, constructed at Walsh Island, Newcastle, a floating dock capable of lifting 15,000 tons.

(ii) *Naval College*. A naval college was established at Geelong in 1913, and was transferred in 1915 to Captain's Point, Jervis Bay, Federal Capital Territory, and thence in 1930 to the Flinders Naval Depot, Victoria. The course is similar to that carried out in naval colleges in England. In February, 1933, there were 36 cadet midshipmen under training. A boy who reaches the age of thirteen years during the calendar year in which the entrance examination is held is eligible to compete, provided he is the son of natural-born or naturalized British subjects. From amongst those qualified the selection committee chooses the number required. The Commonwealth Government bears the whole expense of uniforms, victualling, travelling, as well as that of the educational course. Altogether 164 officers who have passed through the college are now serving with the Fleet.

(iii) *Training Establishments*. Recruits from 17 to 21 years of age receive their preliminary training at the Naval Depot, Westernport, where, in addition to the new entry school, instruction is given in Gunnery and Torpedo, Signals and Wireless Telegraphy, Engineering, etc.

(iv) *The Naval Station*. A description of the limits of the Australian Naval Station is contained in earlier issues of the Official Year Book (see No. 18, pp. 608-9).

(v) *Vessels*. A list of the vessels of the Royal Australian Navy is given hereunder:—

SHIPS OF THE ROYAL AUSTRALIAN NAVY, MAY, 1933.

Vessel.	Description.	Displacement.	Power.
IN COMMISSION—		Tons.	H.P.
<i>Australia</i> ..	Cruiser	10,000	80,000
<i>Canberra</i> ..	"	10,000	80,000
<i>Cerberus</i> ..	Motor Boat (Flinders Naval Depot)	61	220
<i>Moresby</i> ..	Sloop	1,650	2,500
<i>Penguin</i> (late <i>Platypus</i>)	Depot Ship, Sydney	3,455	3,500
<i>Tattoo</i> ..	Destroyer	905	27,000
IN RESERVE—			
<i>Adelaide</i> ..	Cruiser	5,100	25,000
<i>Albatross</i> ..	Seaplane Carrier	5,000	12,000
<i>Anzac</i> ..	Flotilla Leader	1,310	36,000
<i>Brisbane</i> ..	Cruiser	5,120	25,000
<i>Stalwart</i> ..	Destroyer	905	27,000
<i>Success</i> ..	"	905	27,000
<i>Swordsman</i> ..	"	905	27,000
<i>Tasmania</i> ..	"	905	27,000
FLEET AUXILIARY—			
<i>Kurumba</i> ..	Fleet Oiler	7,930	2,000

(vi) *Naval Forces.* Besides the sea-going forces, there is a R.A.N. Reserve, which is composed of Citizen Naval Forces. The personnel of the sea-going forces, which was originally largely composed of Imperial officers and men, is now 99·6 per cent. Australian. The strength of the naval forces is given hereunder :—

**STRENGTH OF NAVAL FORCES (PERMANENT AND RESERVES),
15th FEBRUARY, 1933.**

Description of Force.	Numbers Borne.		
	In Training.	Officers.	Men.
Royal Australian Navy (Sea-going)	339	2,783
Royal Australian Naval Auxiliary Services	29	140
Cadet Midshipmen undergoing training at R.A.N. College	36	..	..
Royal Australian Naval Reserve (Sea-going)	46	..
Royal Australian Fleet Reserve	225
Royal Australian Naval Reserve	240	4,313
Royal Australian Naval Volunteer Reserve	40	..

§ 3. Air Defence.

1. **General.**—A statement in regard to the preliminary steps taken in connexion with the development of air defence will be found in Official Year Book No. 18, p. 610.

The Royal Australian Air Force is administered by a Board consisting of three Air Force members and a Finance member. To this Force is entrusted the air defence of Australia, and the training of personnel for co-operation with the naval and military forces. The present establishment of the Force includes the following units :—(a) Headquarters Royal Australian Air Force, with representation in London; (b) a Flying Training School; (c) an Aircraft Depot; (d) two service landplane squadrons and (e) one service amphibian flight.

2. **Establishment.**—The present approved establishment of the Permanent Air Force is 102 officers and 788 airmen, and of the Citizen Air Force, 48 officers and 261 airmen. Three aerodromes are under the control of the Air Board; all other aerodromes and air routes have been taken over by the Controller of Civil Aviation.

3. **Aerial Routes.**—Aerodromes and emergency landing grounds have been prepared between the capital cities and on certain parts of the coast for service and civil purposes. At the 31st March, 1933, 185 Government aerodromes and emergency landing grounds had been prepared and 114 licensed public aerodromes were also available for use.

4. **Civil Aviation.**—Details regarding the formation and activities of the Civil Aviation Department will be found in Chapter VI., Section D. Aircraft.

§ 4. Expenditure on Defence.

The following table shows defence expenditure, exclusive of war services, in 1901–2 and for 1927–28 and subsequent years. Details of the expenditure of the Defence Department and the cost of the war, repatriation, and war services are given in Chapter XIV.—Public Finance.

DEFENCE EXPENDITURE (EXCLUDING WAR SERVICES).—AUSTRALIA.

Item.	1901-2.	1927-28.	1928-29.	1930-31.	1931-32.	1932-33. (a)
	£	£	£	£	£	£
Central Administration ..	5,594	26,700	27,901	24,189	20,599	22,400
Naval	178,819	2,597,864	2,395,910	1,747,835	1,444,002	1,466,588
Military	732,626	1,494,201	1,465,718	1,194,989	994,685	989,918
Air Services—						
R.A. Air Force .. ..	..	516,639	549,126	392,408	326,330	325,000
Civil Aviation .. ..	..	113,368	97,499	149,812	131,726	150,404
Munitions Supply Branch ..	..	461,638	383,324	248,708	234,070	186,877
Rifle Clubs and Associations ..	41,653	47,699	47,851	33,257	27,897	26,600
Special Appropriations—						
Naval Construction .. ..	..	2,060,586	1,349,819	30,193	2,701	3,000
Survey of Gt. Barrier Reef ..	..	46,217	61,906	..	..	..
Reconditioning Equipment and Purchase of Aircraft Equipment .. .. .	..	7,076	115,315	16,663	1,747	11,675
Development of Civil Aviation	..	13,722	42,113	21,015	1,079	2,600
	958,692	7,385,710	6,536,482	3,859,069	3,184,836	3,185,062

(a) Estimated.

In addition to the above, expenditure on war services, naval and military only, directly under the control of the Defence Department amounted in 1931-32 to £7,524 from Revenue, while the estimated expenditure in 1932-33 was £11,000 from Revenue.

The total cost of war services including interest, sinking fund, war pensions, repatriation, etc., will be found in Chapter XIV., Section B § 5—Cost of War and Repatriation.

§ 5. Munitions Supply.

1. **General.**—A statement dealing with the powers and functions of the Munitions Supply Board is given on p. 612 of Official Year Book No. 18.

2. **Factories.**—(i) *General.* The Explosives Factories at Maribyrnong, Victoria, which manufacture explosives for cartridges and artillery ammunition, aeroplane dopes, nitro-benzine, and special paints, were established in 1911. The staff at 30th June, 1932, numbered 121.

The Acetate of Lime Factory, established at Bulimba, Brisbane, in September, 1918, provides acetate of lime (a raw material used in the manufacture of acetone) and is now being held in reserve. Employees at 30th June, 1932, numbered 2.

The Clothing Factory at Melbourne, Victoria, which had a staff of 227 employees on 30th June, 1932, commenced output in July, 1912, and since that date has been able to supply the whole of the uniform clothing required for the Defence forces and the Postmaster-General's Department. It also supplies clothing required by State Departments and local public bodies.

The Small Arms Factory at Lithgow, New South Wales, which was opened on 1st June, 1912, and delivered the first instalment of Australian arms in May, 1913, had on its pay roll on 30th June, 1932, 278 employees. Rifles and machine guns are being produced, and provision has been made for the manufacture of pistols.

On the 1st January, 1927, the Defence Department entered into possession by purchase of the works of the Colonial Ammunition Company Limited at Footscray, Victoria. As from the 1st July, 1928, this establishment, known as the Small Arms Ammunition Factory, was amalgamated with the Gun Ammunition Factory, and this group is now known as the Ammunition Factories, where in addition to rifle and pistol ammunition, big gun fuses and detonators, and cartridge cases are also produced. Brass and other non-ferrous metals required for munitions manufacture are rolled at this factory. The staff at 30th June, 1932, numbered 362.

At the Ordnance Factory, Maribyrnong, Victoria, established in 1924, provision is made for the production of guns, shells, gun carriages and military vehicles. This group includes a well equipped forge and woodworking and electrical shops. The number of employees at 30th June, 1932, was 319.

(ii) *Investment in Factories.* Up to 30th June, 1932, the amount invested in lands, buildings, machinery and plant, factory fittings and furniture in connexion with the factories now in operation was approximately as follows:—Small Arms Factory, £541,443; Explosives Factories, £562,888; Clothing Factory, £7,858; Acetate of Lime Factory, £89,881; Ammunition Factories, £495,549; and Ordnance Factories, £537,704.

§ 6. Remount Depot.

Information in regard to the establishment of this branch of activity is contained in earlier issues of the Official Year Book (see No. 18, p. 613). When war was declared in 1914 little difficulty was experienced by the Remount Service in coping with the enormous task of obtaining and training horses for the mounted units of the A.I.F. and in providing for the shipment of horses to Egypt and India as required.

§ 7. Australian Contingents.

1. *General.*—In earlier issues of the Year Book an account was given of the composition, etc., of the Australian contingents dispatched for service in the New Zealand and Sudan Campaigns, in South Africa, China, and the Great War of 1914–18 (see Official Year Book No. 12, pp. 1019 *et seq.*).

2. *Australian Troops (Great War).*—Particulars of the enlistments, casualties, honours and decorations won, and engagements of the Australian Imperial Force during the Great War were given in Official Year Book No. 16, pp. 628 *et seq.*

§ 8. War Gratuity.

Reference was made in earlier Year Books (see No. 15, p. 930) to the bonus payable in accordance with the War Gratuity Acts of 1920 as a war service gratuity to soldiers and sailors who served in the Great War. Owing to limitations of space this information cannot be repeated, but it may be noted that the gratuity was paid in Treasury Bonds, maturing not later than 31st May, 1924, and bearing interest at 5½ per cent. In necessitous cases payment was made in cash when desired by the person entitled. The first gratuities were made available about the beginning of June, 1920. The total amount paid to 30th June, 1932, was £27,498,644, and bonds amounting to £16,011 had not been redeemed.

§ 9. Special Defence Legislation.

Information regarding special defence legislation enacted by the Commonwealth Government during the War was given in Official Year Book No. 15, p. 930. It may be pointed out here that the War Precautions Act Repeal Act of 1920 repealed the Act 1914–18, but a limited number of matters dealt with under the original Act is now provided for under the War Precautions Act Repeal Act of 1920–28 or by regulations made thereunder.

§ 10. Repatriation.

1. *General.*—An outline of the activities leading up to the formation of the Commonwealth Department of Repatriation was given in Official Year Book No. 15, p. 931, but limits of space preclude its repetition in the present volume. Some account was given also in the Year Book referred to, and in subsequent issues, of the policy and activities of the Department generally, while detailed information was incorporated in regard to such matters as sustenance rates and pensions to soldiers and dependants. (See Official Year Book 17, pp. 598 to 601.) During the year ended 30th June, 1928, sustenance rates were amended to bring them into line with war pensions rates, and the scale of rates in respect to war pensions was amplified by providing for an allowance to the third or subsequent child at such a rate as will provide, together

with pension in respect of that child, a sum of 15s. per fortnight. Since the date specified sustenance is paid only where subsistence is actually needed, income from all sources being taken into account. Further, consequent upon the Financial Emergency Act, the maximum rate of pension payable to children of incapacitated soldiers is now 12s. per fortnight.

The main activities of the Repatriation Commission at 30th June, 1932, were confined to the grant, review and assessment of war pensions, medical treatment, the renewal and repair of artificial replacements and surgical appliances, the grant and review of living allowances, and the administration of the Soldiers' Children Education Scheme.

2. **War Pensions.**—(i) *Year ended 30th June, 1932.* Pensions expenditure progressively increased from 1923–24, and the number of pensioners grew, year by year, from 1920–21. The effects of the Financial Emergency Act were, however, evidenced in 1931–32 by a decline in total expenditure and in the number of persons receiving benefit. At the close of that year the annual liability was £6,949,540, with 274,111 pensioners. The outstanding figures for the year ended 30th June, 1932, are as follows :—

New claims granted during year	..	..	..	..	5,592
Claims rejected during year	..	..	..	..	776
Pensions reviewed during year	..	..	..	..	57,264
Pensions cancelled or discontinued during year	..	..	..	..	12,378
Pensioners died during year	..	..	..	..	2,456
Number of pensions in force at 30th June, 1932	..	..	..	..	274,111
Annual pension liability on the 30th June, 1932	..	..	..	..	£6,949,540

At the close of the year special rate pension of £8 per fortnight was being paid to—

Blinded soldiers	..	..	..	..	132
Tubercular soldiers	..	..	..	..	1,012
Totally and permanently incapacitated soldiers	..	..	..	..	1,480

An analysis of the total number of new grants (5,592) during the year reveals the following :—

Members (i.e., ex-soldier pensioners)	..	..	..	..	520
Wives of members	..	..	..	..	943
Children	..	..	..	..	3,868
Other dependants	..	..	..	..	261
					5,592

(ii) *Pensions in Force at 30th June, 1932.* The following table shows for each class of pensioner the number receiving pensions at the 30th June, 1932 :—

PENSIONS IN FORCE, AUSTRALIA, AT 30th JUNE, 1932.

Category.	Number of Pensioners.
Orphan children	5,582
War widows	7,790
Soldiers	75,646
Children	105,871
Wives	57,959
Parents	20,904
Brothers and sisters	217
Others	142
Total	274,111

(iii) *Summary, Years 1921, 1928 to 1932.* The subjoined table shows the numbers of pensions granted, claims rejected, and pensions in force, together with the amount paid in pensions for the year ended 30th June, 1921, and for each of the five years ended 30th June, 1932 :—

PENSIONS.—SUMMARY, AUSTRALIA.

Year ended 30th June—	Pensions Granted.	Claims Rejected.	Pensions in Force.				Amount paid in Pensions.
			Incapaci- tated Members of the Forces.	Depend- ants of Incapaci- tated Members.	Depend- ants of Deceased Members.	Total.	
1921 ..	25,983	3,388	79,491	93,995	49,051	222,537	£ 7,386,842(a)
1928 ..	13,547	1,826	72,667	155,809	38,194	266,670	7,690,890
1929 ..	12,857	1,044	73,436	163,013	36,182	272,631	7,734,921
1930 ..	13,650	1,257	74,578	170,437	34,270	279,285	7,919,476
1931 ..	11,555	920	75,316	172,389	35,617	283,322	7,996,180
1932 ..	5,592	776	75,646	166,846	31,619	274,111	7,446,188

(a) Includes payments made from Trust Fund, War Pensions Account, on behalf of other countries less recoveries.

3. *Summary of Other Activities.*—The following is a summary of the work of the Department from 8th April, 1918, to 30th June, 1932 :—

(i) *Employment.* Number of applications, 255,173; number of positions filled, 133,157.

(ii) *Vocational Training.* Number of men completed training, 27,696; number in training, nil.

(iii) *Assistance other than Vocational Training and Employment.* Applications received, 828,161; applications approved, 717,802.

(iv) *Soldiers' Children Education Scheme.* From the inauguration of the scheme in February, 1921, up to 30th June, 1932, 15,215 applications for assistance had been received. Of these 13,925 had been approved, of which 7,442 recipients of the benefits had completed their training, 4,423 were undergoing training, 24 applications were pending, and the remainder had been refused or withdrawn. At 30th June, 1932, applications to the number of 32 were pending.

Up to 30th June, 1932, the expenditure was £1,344,865.

(v) *Assistance Granted.* The total expenditure incurred during the period from 8th April, 1918, to 30th June, 1932, was £18,727,445, of which £1,675,987 represented loan and £17,051,458 general expenditure. Of the total the largest amounts were absorbed by medical treatment, with £6 millions, vocational training, with £5 millions, and expenses of providing employment, £2½ millions.

(vi) *Medical Treatment.* At 30th June, 1932, there were 1,446 in-patients and 14,144 out-patients receiving medical treatment. The expenditure to this date was £5,944,974.

4. **Expenditure of Department of Repatriation.**—The expenditure of the Department during the twelve months ended 30th June, 1932, was £8,339,335, and was applied as follows :—

Repatriation benefits—	£
Loans to soldiers	50
Grants to soldiers and general expenditure (including maintenance of training schools, medical institutions, etc.) ..	534,718
Assistance to soldiers in necessitous circumstances	68
Allowances to dependants of soldiers not provided for under the Act	973
Medical treatment to Home Service personnel	140
	535,949
Capital expenditure—	
Office premises and furniture	28
Hostels and other Medical Institutions	1,621
Loan Fund, Bundoora Mental Hospital, Victoria	12,706
	14,355
Soldiers' Children Education Scheme	108,381
War Pensions	7,449,180
Administrative costs—	
Salaries	155,263
Contingencies	76,207
	231,470
Total	8,339,335

The total expenditure for the previous year was £9,006,241.

5. **Settlement of Soldiers on the Land.**—At the Premiers' Conference in Melbourne in 1917, it was agreed that the States should undertake the work of settling on the land returned soldiers and munition and war workers, but that the Commonwealth should finance the States for this purpose.

The original arrangement provided that the Commonwealth should take the responsibility of finding up to £500 per settler as working capital for improvements, implements, seed, etc., an amount which was subsequently increased to £625, together with £375 per settler for resumptions and works incidental to land settlement approved by the Commonwealth. Loans were to be advanced to the settlers by the States at reasonable rates of interest not exceeding 3½ per cent. in the first year, increasing by ½ per cent. each subsequent year to the full rate of interest at which the money had been raised, plus working expenses; the difference between these rates and the cost of the money to the Government to be borne equally by the Commonwealth Government and the State Government. This provision respecting interest loss was not ultimately carried out as passed, the Commonwealth Government assuming responsibility for more than one-half of the interest loss, viz. :—a rebate of interest equal to 2½ per cent. per annum during a period of five years from the date of payment to the State of each instalment of loan money.

In addition to this expected loss of interest other losses have occurred in connexion with soldier settlement, and in 1927 Mr. Justice Pike, of the Land Valuation Court of New South Wales, was commissioned to report, not only on the losses, but on the principles on which financial responsibility should be divided. His report in 1929, to which reference should be made for fuller information, found that in all the negotiations concerning soldier settlement on the land the States insisted on undivided control, and that financial responsibility went along with control except so far as the Commonwealth definitely

promised to give assistance. The undertaking of the Commonwealth to share equally with the States the cost of lower interest rates to soldier settlers was made the basis of a practical compromise, and the report recommended that the total loss should be shared equally between the two parties.

The following table from Mr. Justice Pike's report shows the losses as found by him, the amount contributed at that date by the Commonwealth, and the further amount to be written off by the Commonwealth:—

LOSSES ON SOLDIER SETTLEMENT.

State.	Gross losses as found by Mr. Justice Pike.	Commonwealth half share thereof.	Amount already contributed by Commonwealth.	Further amount to be written off by Commonwealth.
	£	£	£	£
New South Wales ..	7,003,950	3,501,975	2,612,215	889,760
Victoria ..	7,721,891	3,860,945	3,331,193	529,752
Queensland ..	1,853,315	926,657	817,272	109,385
South Australia ..	3,565,829	1,782,914	977,927	804,987
Western Australia ..	2,059,368	1,029,684	1,477,688	Nil
Tasmania ..	1,321,169	660,585	546,688	113,897
Total ..	23,525,522	11,762,760	9,762,983	2,447,781

The report refers to a further small loss in certain States consequent upon providing home maintenance areas. The Commonwealth's share of this loss was subsequently fixed at £150,000.

According to the report the chief loss was in interest on capital cost, which amounted to more than half the total loss. Loss of advances came next, due to inflated values of improvements and stock when settlement was taking place. The loss due to administration expenses was defined as the excess costs above ordinary closer settlement costs and this excess was found to be about £3,000,000, or 12½ per cent. of the total loss.

The following table shows the total advances to the States, repayments made to the Commonwealth, remissions of advances made by the Commonwealth and the loans outstanding at the 30th June, 1932. The remissions which have been agreed upon but still await legislative ratification include an amount of £5,000,000 made by the Commonwealth in 1925, and the Commonwealth's share of losses, other than for interest, as recommended by Mr. Justice Pike (including the £150,000 for home maintenance areas).

ADVANCES TO STATES FOR SOLDIER SETTLEMENT, AT 30th JUNE, 1932.

State.	Number of Settlers.		Total Advances.	Repay-ments by States.	Remissions by Com-monwealth. (a)	Advances less Repay-ments and Remissions. (a)
	Originally.	Remaining.				
			£	£	£	£
New South Wales ..	9,302	6,649	9,826,203	20,219	2,274,722	7,531,262
Victoria ..	11,140	9,249	11,968,176	174,101	2,160,960	9,633,115
Queensland ..	6,031	3,617	2,717,697	17,114	612,233	2,088,350
South Australia ..	4,082	2,754	2,857,780	24,775	1,371,988	1,461,017
Western Australia ..	5,030	3,545	5,463,782	32,580	796,000	4,635,202
Tasmania ..	1,976	777	2,168,303	38,740	381,880	1,747,683
Total ..	37,561	26,591	35,001,941	307,529	7,597,783	27,096,629

(a) The remissions shown have been agreed upon but still await legislative ratification.

The figures in the above table relating to the number of settlers, are taken from Mr. Justice Pike's report.

6. *Conspectus of State Laws affecting Settlement of Returned Soldiers on the Land.*—In Official Year Book No. 13, pp. 1018 *et seq.*, will be found a table giving particulars of the laws of the various States relating to returned soldiers' land settlement.

Later modifications have been made with a view to simplifying procedure and liberalizing the conditions under which holdings may be acquired.

§ 11. War Service Homes.

The operations of the War Service Homes Commission at 31st March, 1933, may be briefly set out as follows:—Total applications approved, 41,787; expenditure on provision of homes, purchase of land for future use, etc., £28,752,117; 21,220 houses had been completed; and 34 homes had been enlarged.

In addition, the Commission had purchased on behalf of eligible applicants 12,925 already-existing properties, and had taken over mortgages existing on 2,582 dwelling-houses. Dual assistance had been approved in respect of 52 applications, making the total number of homes provided under the War Service Homes Act, 36,813. Homes are insured under a comprehensive policy, the total insurances in force, including cover notes, amounting to £19,255,440. The total receipts of the Commission to 31st March, 1933, were £18,901,951, of which £6,592,720 was paid to the National Debt Sinking Fund.

The percentage of arrears of instalments due was 4.5. The total instalments due amounted to £13,871,304 and of arrears to £654,037. The arrears figures do not include amounts due in respect of homes which have been provided by the State Bank of South Australia.

Pursuant to legislation passed by the Commonwealth Government and the State Parliament of Victoria, the control of homes under the State Savings Bank of Victoria was transferred to the Commission as at 9th December, 1932, and the figures quoted cover the activities in respect of homes so transferred. The homes provided by the State Bank of South Australia in accordance with the existing agreement are included in the statement.