

CHAPTER XIV.

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 has been retained, but the peace nucleus has been 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.

(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 3,330,070 at the 31st March, 1932.

(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, 1932.

State.	Military District.	Number of Infantry Brigade Areas.	Battalion Areas.									
			Number of Battalion Areas. (a)	Infantry Battalions.	Light Horse Regiments.	Field Artillery Batteries.	Medium Artillery.		Heavy Artillery.		Anti-aircraft Battery.	
							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	..	..	..	2	..	..
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.A.V.C. Sections.		
		Engineers.		Signals.	Tank Corps.	A.A.S.C.			A.A.M.C.						
		Field.	For-tress.			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	5	1	3	3	7	7	7	3	4	4
Victoria ..	3rd	5	3	1	22	5	..	3	3	7	7	7	3	4	4
Queensland ..	1st	2	1	1	6	1	..	1	1	3	3	3	1	1	1
South Australia ..	4th	1	1	..	3	1	..	..	..	2	2	2	1	1	1
Western Australia ..	5th	1	..	1	4	..	..	..	..	1	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.	1930. 30/4/30.	1931. 31/3/31.	1932. 31/3/32.
Army Head-Qrs. (Melbourne) .. .. .	..	(c) 277	(c) 499	(c) 197	(c) 166	78	73
1st (Q'ld.)	4,310	4,625	4,319	5,610	3,325	3,892	3,309
2nd (N.S.W.)	9,772	12,105	14,561	18,825	10,810	11,524	10,819
3rd (Vict.)	7,011	10,840	11,117	15,110	8,452	10,339	10,141
4th (S. Aus.)	2,956	3,228	3,452	4,234	1,946	2,450	2,477
5th (W. Aus.)	2,283	1,685	2,018	2,600	1,753	1,820	1,715
6th (Tas.)	2,554	1,777	1,190	1,355	1,002	1,179	1,227
Total	28,886	34,537	37,156	47,931	27,454	31,282	29,821

(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.

(b) Various Arms. The numbers of the different arms of the service on the 31st March, 1932, were as follow :—

ARMS OF THE AUSTRALIAN MILITARY FORCES, ACTIVE LIST, 31st MARCH, 1932.(a)

Head-quarters Staffs	115	Fortress Engineers	270
Staff Corps	231	Signals	1,198
Corps of Staff Cadets	30	Infantry	12,972
Instructional Corps	493	Tank Corps	37
Light Horse	4,001	Army Service Corps	1,474
Royal Australian Artillery	436	Army Medical Corps	1,098
Field Artillery	4,180	Army Ordnance Corps (b)	262
Garrison Artillery	1,563	Army Veterinary Corps	109
Royal Australian Engineers	135	Provost Staff	11
Survey Corps	14		
Field Engineers	1,192	Total	29,821

(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, 1932.

**DISTRIBUTION OF LAND FORCES,(a) ACTIVE AND RESERVE LISTS,
31st MARCH, 1932.**

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) 65	133	595	477	87	116	63	1,536
Militia Forces ..	8	3,236	10,224	9,664	2,390	1,599	1,164	28,285
Engineer and Railway Staff Corps	2	9	10	12	11	9	5	58
Unattached List of Officers	4	56	124	100	14	22	8	328
Reserve of Officers	..	772	2,190	1,945	528	459	211	6,105
Chaplains ..	4	41	81	88	27	24	14	279
Total ..	83	4,247	13,224	12,286	3,057	2,229	1,465	36,591

(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, 1932 :—

**STRENGTH OF MILITIA FORCES AND SENIOR CADETS, BY FORMATIONS,
31st MARCH, 1932.**

State.	Military Formation.	Militia Forces.	Senior Cadets.	
			Regimental Detachments.	Educational Establishments.
Victoria ..	Army Head-quarters ..	8	..	..
Queensland ..	Field Troops, 1st Military District	3,091	373	421
Queensland ..	1st District Base ..	145	11	..
New South Wales ..	1st Cavalry Division ..	1,954	79	68
New South Wales ..	1st Division ..	3,035	416	325
New South Wales ..	2nd Division ..	4,213	645	551
New South Wales ..	2nd District Base ..	1,022	149	..
Victoria ..	2nd Cavalry Division ..	1,633	82	..
Victoria ..	3rd Division ..	4,254	840	450
Victoria ..	4th Division ..	3,026	363	225
Victoria ..	3rd District Base ..	751	123	..
South Australia ..	Field Troops, 4th Military District	2,312	240	286
South Australia ..	4th District Base ..	78	2	..
Western Australia ..	Field Troops, 5th Military District	1,418	185	111
Western Australia ..	5th District Base ..	181	15	..
Tasmania ..	Field Troops, 6th Military District	1,085	90	15
Tasmania ..	6th District Base ..	79	15	..
	Total ..	28,285	3,628	2,452

(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 231 officers (Staff Corps), 44 quartermasters, and 449 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. Twelve Staff Cadets were admitted to the College in February, 1932. Further particulars respecting the College are given on page 915 of Official Year Book No. 15. On the 31st March, 1932, the cadets in training numbered 30.

(vii) *Railways and Defence.* A War Railway Council, consisting of military and railway 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 transshipment 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 58 officers on 31st March, 1932. Fuller details will be found in Official Year Book No. 6, pp. 1070-1.

(viii) *Rifle Clubs.* On the 30th June, 1931, there were 1,177 rifle clubs with a membership of 44,946, and 88 miniature rifle clubs having a membership of 3,018. 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, 1931, the expenditure on construction amounted to £13,850,020.

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. H.M.A.S. *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 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 was principally employed in surveying the Great Barrier Reef, but, owing to the need for economy, was paid off in April, 1930.

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, 1932, there were 25 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 158 officers who have passed through the college are now serving with the Fleet. Owing to the financial situation and the fact that a number of cadets who recently passed through the college had been retrenched, no examinations for entry to the college were held in 1930 and 1931. Entries will, however, be resumed in September, 1932, from boys who reached the age of thirteen years during 1930 or 1931. The normal entry from boys born in 1919 will be made in January, 1933.

(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. The entry and training of boys have been suspended.

(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, 1932.

Vessel.	Description.	Displacement.	Power.
		Tons.	H. P.
IN COMMISSION—			
<i>Albatross</i> ..	Seaplane Carrier	5,000	12,000
<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>Penguin</i> (late <i>Plutus</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>Anzac</i> ..	Flotilla Leader	1,310	36,000
<i>Brisbane</i> ..	Cruiser	5,120	25,000
<i>Geranium</i> ..	Sloop	1,175	2,000
<i>Mallow</i> ..	"	1,165	1,800
<i>Marguerite</i> ..	"	1,175	2,000
<i>Moresby</i> ..	"	1,650	2,500
<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 98 per cent. Australian. The strength of the naval forces is given hereunder :—

**STRENGTH OF NAVAL FORCES (PERMANENT AND RESERVES),
15th FEBRUARY, 1932.**

Description of Force.	Numbers Borne.		
	In Training.	Officers.	Men.
Royal Australian Navy (Sea-going)	341	2,776
Royal Australian Naval Auxiliary Services	28	103
Cadet Midshipmen undergoing training at R.A.N. College	25	..	..
Royal Australian Naval Reserve (Sea-going)	45	..
Royal Australian Fleet Reserve	209
Royal Australian Naval Reserve	244	4,910
Royal Australian Naval Volunteer Reserve	38	..

§ 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 :—(1) Headquarters Royal Australian Air Force, with representation in London; (2) a Flying Training School; (3) an Aircraft Depot; (4) two service landplane squadrons and (5) 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 260 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 alighting sites have been prepared between the capital cities and on certain parts of the coast for service and civil purposes. At the 31st March, 1932, 187 Government aerodromes and emergency landing grounds had been prepared and 90 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 VII., Section D. Aircraft.

§ 4. Expenditure on Defence.

The following table shows defence expenditure, exclusive of war services, in 1901–2 and during each of the last five years. Details of the expenditure of the Defence Department and the cost of the war, repatriation, and war services are given in Chapter VIII.—Public Finance.

DEFENCE EXPENDITURE (EXCLUDING WAR SERVICES).—AUSTRALIA.

Item.	1901-2.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32. (a)
	£	£	£	£	£	£
Central Administration ..	5,594	26,700	27,901	25,382	24,189	21,080
Naval	178,819	2,597,864	2,395,910	2,167,325	1,747,835	1,478,887
Military	732,626	1,494,201	1,465,718	1,239,394	1,194,989	1,057,429
Air Services—						
R.A. Air Force .. .. .	..	516,639	549,126	498,366	392,408	343,620
Civil Aviation .. .. .	..	113,368	97,499	102,809	149,812	140,610
Munitions Supply Branch ..	..	461,638	383,324	358,160	248,708	185,622
Rifle Clubs and Associations ..	41,653	47,699	47,851	39,922	33,257	28,498
Special Appropriations—						
Naval Construction .. .. .	..	2,060,586	1,349,819	307,845	30,193	3,000
Survey of Gt. Barrier Reef ..	..	46,217	61,906	39,005	..	..
Reconditioning Equipment and Purchase of Aircraft Equipment .. .. .	..	7,076	115,315	3,323	16,663	2,000
Development of Civil Aviation ..	..	13,722	42,113	104,458	21,015	3,000
	958,692	7,385,710	6,536,482	4,885,989	3,859,069	3,263,746

(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 1930-31 to £106,631 from Revenue, while the estimated expenditure in 1931-32 was £24,352 from Revenue.

The total cost of war services including interest, sinking fund, war pensions, repatriation, etc., will be found in Chapter VIII., 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, 1931, numbered 134.

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, 1931, numbered 2.

The Clothing Factory at Melbourne, Victoria, which had a staff of 238 employees on 30th June, 1931, 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, 1931, 245 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, 1931, numbered 270

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, 1931, was 223.

(ii) *Investment in Factories.* Up to 30th June, 1931, 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, £529,305; Explosives Factories, £555,798; Clothing Factory, £7,543; Acetate of Lime Factory, £90,195; Ammunition Factories, £483,009; and Ordnance Factories, £530,270.

§ 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, 1931, was £27,492,548.

§ 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.

The main activities of the Repatriation Commission at 30th June, 1931, 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, 1931.* Pensions expenditure has progressively increased since 1923-24, and the number of pensioners has grown, year by year, since 1920-21. At the end of the year 1930-31, the annual liability was £7,774,806, with 283,322 participants, the highest yet recorded. The outstanding figures for the year ended 30th June, 1931, are as follows :—

New claims granted during year	11,555
Claims rejected during year	920
Pensions reviewed during year	53,995
Pensions cancelled or discontinued during year	6,992
Pensioners died during year	2,336
Number of pensions in force at 30th June, 1931	283,322
Annual pension liability on the 30th June, 1931	£7,774,806

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

Blinded soldiers	131
Tubercular soldiers	1,064
Totally and permanently incapacitated soldiers	1,498

An analysis of the total number of new grants (11,555, during the year reveals the following :—

Members (i.e., ex-soldier pensioners)	1,057
Wives of members	1,922
Children	8,176
Other dependants	400
	11,555

(ii) *Pensioners in Force at 30th June, 1931.* The following table shows for each class of pensioner the number receiving pensions at the 30th June, 1931 :—

PENSIONERS IN FORCE, AUSTRALIA, AT 30th JUNE, 1931.

Category.	Number of Pensioners.
Orphan children	5,639
War widows	6,743
Soldiers	75,316
Children	107,775
Wives	59,708
Parents	26,280
Brothers and sisters	694
Others	1,167
Total	283,322

(iii) *Summary, Years 1921, 1927 to 1931.* 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, 1931 :—

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)
1927 ..	13,323	2,518	72,388	147,568	39,865	259,821	7,558,559
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

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

During the period in which war pensions have been granted, the annual amount paid has, with one or two exceptions, steadily increased to its maximum in the year 1930-31.

3. *Summary of Other Activities.*—The following is a summary of the work of the Department from 8th April, 1918, to 30th June, 1931 :—

(i) *Employment.* Number of applications, 254,804; number of positions filled, 133,097.

(ii) *Vocational Training.* Number of men completed training, 27,695; number in training, 1.

(iii) *Assistance other than Vocational Training and Employment.* Applications received, 808,344; applications approved, 703,345.

(iv) *Soldiers' Children Education Scheme.* From the inauguration of the scheme in February, 1921, up to 30th June, 1931, 14,608 applications for assistance had been received. Of these 13,339 had been approved, of which 6,169 recipients of the benefits had completed their training, 5,240 were undergoing training, 24 applications were pending, and the remainder had been refused or withdrawn.

Up to 30th June, 1931, the expenditure was £1,236,484.

(v) *Assistance Granted.* The total expenditure incurred during the period from 8th April, 1918, to 30th June, 1931, was £18,192,677, of which £1,675,937 represented loan and £16,516,740 general expenditure. Of the total the largest amounts were absorbed by medical treatment, with £5½ millions, vocational training, with £5 millions, and expenses of providing employment, £2½ millions.

(vi) *Medical Treatment.* At 30th June, 1931, there were 1,487 in-patients and 13,740 out-patients receiving medical treatment. The expenditure to this date was £5,572,822. ¹

4. Expenditure of Department of Repatriation.—The expenditure of the Department during the twelve months ended 30th June, 1931, was £9,006,241. and was applied as follows :—

Repatriation benefits—	£
Loans to soldiers	190
Grants to soldiers and general expenditure (including maintenance of training schools, medical institutions, etc.) ..	728,594
Assistance to soldiers in necessitous circumstances	82
Allowances to dependants of soldiers not provided for under the Act	1,272
Medical treatment to Home Service personnel	141
	730,279
Capital expenditure—	
Office premises and furniture	125
Hostels and other Medical Institutions	4,649
Loan Fund, Bundoora Mental Hospital, Victoria	10,646
	15,420
War Pensions	7,987,038
Administrative costs—	
Salaries	189,212
Contingencies	84,292
	273,504
Total	9,006,241

The total expenditure for the previous year was £8,881,146.

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.

The report found that 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.	Repayments by States.	Remissions by Commonwealth. (a)	Advances less Repayments 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	3,345	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, 1932, may be briefly set out as follows:—Total applications approved, 41,632; expenditure on provision of homes, purchase of land for future use, etc., £28,727,263; 21,220 houses had been completed; and 34 homes had been enlarged.

In addition, the Commission had purchased on behalf of eligible applicants 12,923 already-existing properties, and had taken over mortgages existing on 2,582 dwelling-houses. Homes are insured under a comprehensive policy, the total insurances in force, including cover notes, amounting to £16,830,960. The total receipts received by the Commission to 31st March, 1932, were £17,625,200, of which £6,070,783 was paid to the National Debt Sinking Fund. The percentage of arrears of repayments on the repayments due was 3.18.

The foregoing figures include the operations of the State Bank of South Australia and the State Savings Bank of Victoria, which are now carrying out the provisions of the War Service Homes Act in their respective States, the Commonwealth's obligations being to make available to the Government in each State as a loan the funds required for the purpose.