total issue of '303 ball ammunition during the year was 4,162,000 rounds. Under the terms of contract the Department must take four and a half million rounds per annum. The requirements for Territorials and Cadets for the coming year will amount to five million rounds. To this must be added the necessity of increasing the emergency reserve.

The factory is capable of practically doubling its output, if required.

62. COLONIAL AMMUNITION COMPANY.

The supply of small-arms ammunition has been well maintained, including a special order of 150,000 rounds of ball ammunition for the Dominion Rifle Association meeting and 250,000 rounds of blank for the Inspector-General's inspection. No difficulty is now experienced in getting supplies of cordite and gunpowder regularly.

In order to meet the requirements for training, the annual output of blank will have to be

increased by a million and a quarter rounds.

The new velocity range and adjuncts for testing small-arms ammunition is now practically complete, and is a great improvement on the old range and laboratory. The right-of-way giving access to the range and lease of the Colonial Ammunition Company is now being constructed.

The contract for small-arms ammunition falls in in eighteen months: no further increase

of ball ammunition will be required until the new contract is made.

63. ACCOUTREMENTS.

Four thousand additional sets of the Mills web Infantry equipment, and 20,000 entrenching tools, with carriers, have been ordered. When these are received the equipment of the Infantry

regiments will be completed.

During the year the Field Engineer and Garrison Artillery companies have been equipped with Mills web modified-pattern equipment, consisting of waist-belt, pouches, and frog, in lieu of old-pattern brown-leather equipment. This was considered to be a more suitable equipment for these units, besides which a considerable saving in expenditure was effected.

The Railway and Post and Telegraph Battalions and the Army Service Corps companies

have also been similarly equipped.

So far no improved equipment for Mounted Rifles has been devised, and our own bandolier

equipment, which has hitherto given every satisfaction, is still being used.

As the majority of our water bottles, Mark IV, are unfit for further service, an additional supply of water-bottles, Mark VI, with sling carriers, has been ordered to complete the equipment of Mounted Rifle Regiments and Ordnance units. A further supply of web slings is also under order for the increased number of rifles.

order for the increased number of rifles.

An additional supply of 12,000 waterproof ground-sheets was obtained during the year, bringing the stock up to 20,282. Six thousand nose-bags, designed by the New Zealand Veter-

inary Staff for feeding horses of Mounted units in camp, were also obtained locally.

64. Supplies at the Divisional Training-camps.

The supplies for the divisional camps in each district were obtained by contract, as against direct purchase last year. The contracts were generally well carried out, and delivery to the supply depots was regular. It is, however, not always in the interest of economy and convenience to confine supplies to contract. It is more economical in many items to obtain them by direct purchase within reasonable distance of the camp. Much discretion should be left to the officer dealing with the supplies for the district.

The number of tenders received for the various items of supply required was smaller than might have been anticipated in view of the demands made during the year that merchants, farmers, and suppliers throughout the Dominion should be afforded an opportunity of tendering in connection with any or all of the district camps. The quality of the supplies was generally

good, and gave general satisfaction at all camps.

Meat should, when possible, be killed in camp under the supervision of the Army Service

Corps.

The units of the brigades in camp (Mounted Rifles, Field Artillery, and Infantry) were supplied with rations, &c., to scale, in kind, from the camp supply-depot, in lieu of receiving the usual ration allowance and making their own arrangements for supplies, thus not only relieving the regimental staffs of a considerable amount of responsibility, and leaving them more opportunity of devoting their attention to the training of their commands, but also ensuring a more uniform and more economical system of supply. For this purpose the following, not normally belonging to brigades, were attached to the brigades shown in each district:—

 Mounted Field Ambulance
 Mounted Rifles Brigade.

 Mounted Signal Troop
 Mounted Rifles Brigade.

 Field Engineer Company
 Field Artillery Brigade.

 Divisional Signal Company
 Field Artillery Brigade.

 Field Ambulance
 Infantry Brigade.

For control of receipt and issue of supplies and camp equipment, a combined supply and ordnance depot was established in each district, under the control of the Assistant Director of Supplies and Transport (Army Service Corps officer), assisted by the District Storekeeper and the Army Service Corps Instructor (Staff Sergeant-major). The following staff, selected prior to the camps from men liable for training, was allotted in each camp: Supply staff—six clerks, nine butchers, twelve issuers; Ordnance staff—six clerks, twelve issuers. The Army Service