

(c) CLOTHING AND EQUIPMENT.

Very great difficulty has been experienced in purchasing certain items necessary for mobilization, and if Ordnance is to be in a position to function efficiently immediately mobilization is ordered heavier stocks will have to be procured and held in peace. This has been recognized in principle, and the clothing and equipment situation for mobilization has improved, but much remains to be done.

Considerable progress has been made with the manufacture of blue uniforms, and to date over 3,400 have been issued. The uniform has received the most favourable reception.

13. FINANCE.

The sum voted for Army expenditure for the financial year 1939-40 was £703,904, representing an increase of £153,904 on the vote for 1938-39.

The larger vote was made necessary by the extended period of training (twenty days), for which pay is now allowed members of the Territorial Force, and also by a substantial increase in the Territorial rates of pay brought into operation early in the year. Increased expenditure had also to be provided for the mechanization of the Forces, the training of Special Reservists, and the District School system of training officers and other ranks of the Territorial Force.

Substantial improvements to the permanent camps at Narrow Neck, Trentham, and Burnham, and a programme of repairs to drill-halls and other military buildings, were also allowed for, as well as a larger expenditure on mobilization stores and equipment.

The actual charges against the Army vote to the 31st March, 1939, amounted to £744,760, which was reduced by credits-in-aid to £706,735, representing an excess expenditure of £2,849 for the year.

Commitments at the beginning of the year amounted to £227,061, while as at the 31st March, 1939, the unfulfilled orders totalled £540,000.

Difficulty is still being experienced in obtaining delivery within a reasonable time of many of the orders placed abroad, owing to the magnitude of the rearmament programme being undertaken in the United Kingdom and other parts of the Empire which have been called upon for supplies, but now that production is reaching its maximum peak in those countries these delays should be considerably shortened.

The annual expenditure from the Army vote during the last six years is set forth in Appendix III of this report.

CONCLUSION.

The considerable progress which has been made during the past year is due to many factors, but especially to the hard work of the Staff, both military and civil, the loyal co-operation and keenness of all ranks of the Territorial Force, and the assistance of Territorial and Regimental Associations. To these I tender my thanks and appreciation of their efforts. I also desire to thank those employers who have assisted by granting facilities to their employees to attend camp and other training.

I have, &c.,

J. E. DUIGAN, Major-General,
Chief of the General Staff.