

8. FINANCE.

The departmental vote for 1931-32 was reduced to a net amount of £215,000. By the exercise of the strictest economy, and owing to certain commitments not materializing and to credits-in-aid realizing a larger sum than was estimated, the net expenditure for the year amounted to only £182,974, representing an expenditure of £181,192 on land defence and £28,280 on military and civil aviation, less credits-in-aid realized (£26,498).

In previous years it was customary to make provision in the Public Works vote under the heading of "Contingent Defence" for the estimated capital expenditure required for new buildings and additions to existing assets, and for any other work of a developmental nature contemplated; but during the year under review this item was excised from the Public Works vote, and in future any expenditure of the nature indicated will need to be provided for in the Defence Department's vote.

In Appendix II will be found in tabular form the expenditure on Defence over the last five years.

It has to be pointed out that the demands of economy during the year have prevented attention being given to many essential repairs and replacements of military armament, equipment, stores, buildings, and material generally, and that many of these matters will require to be taken in hand in the near future if the Department is not to be faced at some future date with a cumulative heavy expenditure to make good these deficiencies and to place the material again in serviceable condition.

I have the honour to be, Sir,

Your obedient servant,

W. L. H. SINCLAIR-BURGESS, Major-General.

Commanding N.Z. Military Forces.
