

grounds, avoiding all political influences, and be prepared to maintain their view under all circumstances. They will thus, by their carefully considered advice, afford great assistance to the Minister of Defence.

89. Consultative members should not, in my opinion, be added to the Board.

DEPARTMENT OF INSPECTOR-GENERAL.

90. The recommendations contained in this Part of my paper, and based on the Defence Act of 1909, will require constant and careful supervision to get the best results.

91. Factories of war-material are projected; contracts for harness, clothing, &c., will be placed locally; and independent inspection of their methods and products will be essential to good and economical administration.

92. For these reasons I recommend that the appointment of Inspector-General be continued, and that he be supplied with a Staff adequate to carry out the duties of the department, and that he should be directly under the Minister.

93. The duties of the department would be—

- (a.) The examination of the state of preparedness for war of the Citizen Force.
- (b.) The inspection of camps.
- (c.) The examination of the results attained by the systems of classification, enrolment, registration, organization, and training of the cadets, the Permanent and Citizen Forces, and their transport.
- (d.) The periodical examination of explosives, guns, and all warlike stores on Commonwealth charge, and the inspection of all factories and contract supplies.
- (e.) Such further inquiries as the Minister might direct.

94. Under the conditions which exist in Australia it would appear to me advisable that the Inspector-General should be appointed President of the Board dealing with the promotion of officers above the rank of major, and should advise on the qualifications of field officers for appointment to the command of battalions, regiments, brigades, and districts.

95. It would seem sufficient to provide at first for—

- (a.) One Inspector-General, who, with an assistant, would be responsible for the department and for the inspection of the state of preparation for war, the troops, and systems.
- (b.) One Inspector of warlike stores, factories, and contracts.
- (c.) Such clerical staff as is required.

ESTIMATED MILITARY BUDGET.

96. However suitable these recommendations may be to the requirements of the country, a great deal must depend on the burden which they will impose upon its financial resources. I have therefore calculated what the annual cost of the Citizen Force would be when all the proposals have reached fruition and would be in full working-order. Naturally, during the transition period the cost of the Force would be less than this forecast, but it must be remembered that a considerable amount of non-recurring expenditure in the shape of guns and munitions of war should be obtained during this transition period, the upkeep of which has been fully allowed for in my estimate.

THE STAFF CORPS.

97. The Staff Corps, composed of 350 officers at the rates of pay that I have suggested, amounts to a total annual cost of £142,000. There will be, in addition, the cost of the permanent services and the 400 warrant officers and non-commissioned officers required in the areas. These, under the new rates, will amount to £234,000, making a total of £376,000.

THE CITIZEN FORCE.

98. The pay of the new Citizen Force has been estimated on the training periods proposed in my paper, and is calculated as follows:—

TABLE VII.—PAY OF NEW CITIZEN TROOPS.

Rank.	Artillery and Engineers.						Other Arms.					
	1st Year.		2nd Year.		Each of Follow- ing Years.		1st Year.		2nd Year.		Each of Fol- lowing Years.	
	Days.	Rate.	Days.	Rate.	Days.	Rate.	Days.	Rate.	Days.	Rate.	Days.	Rate.
Under sergeant ..	17	s. d. 3 0	17	s. d. 4 0	13	s. d. 4 0	8	s. d. 3 0	8	s. d. 4 0	6	s. d. 4 0
Sergeants ..	..	..	..	..	25	8 0	..	..	..	..	16	8 0
Lieutenants ..	..	..	..	..	25	20 0	..	..	..	..	16	20 0
Captains ..	..	..	..	..	25	30 0	..	..	..	..	16	30 0
Majors ..	..	..	..	..	25	40 0	..	..	..	..	16	40 0
Lieut.-Colonels ..	..	..	..	..	25	50 0	..	..	..	..	16	50 0
Colonels ..	..	..	..	..	25	60 0	..	..	..	..	16	60 0