22. The question of exemptions will also arise, and in this there are, I think, two broad guiding factors—

(a.) That the welfare of the family should not be prejudiced.

(b.) That the State should get the best men available.

Factor (a) points to the exemption of those who are the sole or main support of their family, such as the only or eldest son of a widow, or of a man who is himself incapable of earning a livelihood for those

dependent on him.

23. Factor (b) demands the exclusion from the Citizen Force of all criminals, and should restrict the selection of annual quotas to those males who are physically the fittest of their year, and therefore the most eligible for the honour of serving their country. This question will, no doubt, as necessity arises, be fully considered by the Government.

THE DIVISION OF THE COUNTRY INTO "AREAS."

24. In my judgment, the only way to satisfactorily organize and train a Citizen Force of the nature about to be created in Australia is to divide the country into areas from which the National Force will be drawn. Each area should be designed to provide a definite proportion of a fighting-unit, and should be in charge of a thoroughly trained permanent instructional officer assisted by one or two non-commissioned officers.

25. By this means a trained officer will be supplied to live permanently amongst a definite number of the Citizen Forces, whose military proficiency will entirely depend on his efforts to assist them in home training, as well as in maintaining the military spirit of self-denial and esprit de corps amongst not only those who are under training, but also the whole community. He will thus be readily available on all occasions to assist both officers and men in his area in their endeavour to render themselves efficient defenders of their country; and when the unit that he has trained joins its battalion, and the battalion its brigade, each will vie with the other, and in this way promote a healthy spirit of emulation and competition in the Force which will foster and encourage true and real efficiency. The estimation of the good services of these officers themselves will depend upon the comparison between the units provided by the various areas.

26. Ten areas should form one group under the supervision of a superior instructional officer, who becomes the brigade-major in time of war. Similarly, each unit would then have a permanent instructional officer as adjutant—the remainder taking charge of the depots left to supply the wastage of the

field force from reservists.

27. It is obvious that the extent of the "area" which can be satisfactorily trained by an instructional officer will depend upon the density of the population, and, therefore, upon the time taken for the officer to reach the places where the soldiers assemble for home training as opportunity offers. It is also necessary to fix the relation of the "area" to the unit of the Force, and for this purpose I have taken the Infantry battalion as the standard to govern all estimates.

28. After consideration of these principles, I have come to the conclusion that in the cities two, and in the country three, "areas" should be allowed per battalion of Infantry with a due proportion

of other arms.

29. In this connection may I repeat that the whole success of the Citizen Force depends upon the

thoroughness and amount of the home training under the area officer.

30. A project (Table II) based on the information now available has been prepared, showing the division of Australia into 215 areas. It is merely an example of what might be done, and on further investigation variations will probably be necessary. To these there is no objection, provided there is no departure from the guiding principle that the "area" produces its definite quota of the Force, and is the sole charge of one permanent officer.

TABLE II.—TRAINING-AREAS, AND TROOPS ALLOTTED THERETO.

	Area Nos.				Light Horse Squadrons.	Field Artillery Batteries.	Engineer Companies.	Army Service Corps Companies.	Field Ambulances.
1 to 3 4 ,, 6 7 ,, 9 10 ., 12	•••	••		1 1 1	2 2 2	1 	1	i	
Group	I	• •	••	4	7	2	1.	1	1

[Here follows similar table for 21 groups, in 215 areas.]

THE PERMANENT INSTRUCTIONAL OFFICER IN CHARGE OF THE AREA.

- 31. The duties of the officer in charge of an area would include,-
 - (a.) The inspection of the junior cadets training in the schools.

(b.) The organization and training of the senior cadets.

- (c.) The enrolment, equipment, and training of the adult from eighteen to nineteen years of
- (d.) The equipment, organization, and training of the trained soldier from nineteen to twenty-five years of age.
- (e.) The supervision of the registration of all male inhabitants under clause 142 of the Act,