

representatives in districts full financial responsibility should in future be imposed. I earnestly recommend the adoption of a somewhat similar system in New Zealand. In my report on the Australian Forces, recently published in Melbourne, I have stated at length both the principles involved in this system and the conclusions to which their application necessarily leads.*

I will now briefly restate those conclusions :—

(a.) In all armies, and especially in Militia armies, the Commanders of troops should be freed from financial responsibility, and so placed in a position to devote themselves wholly to their military duties.

(b.) Financial responsibility should therefore be transferred to the men who, in war, will have to feed and supply the army with all its needs.

(c.) Inasmuch as such men form an integral part of a war machine, they must in all grades have full military status and military rank.

(d.) The business branch of an army, which necessarily includes a finance section, must be homogeneous throughout, its officers and men forming part of one corps.†

(e.) The organization of the business branch, and the appointment, promotion, and distribution of its personnel, are matters which, subject to the authority of the General Officer Commanding the Forces, should be left as much as possible to the head of the branch.

(f.) The instruction of the officers and men of the corps must, from the start, be specialized mainly on business lines, only so much military education being added as will enable its members to fulfil military requirements with intelligence.

(g.) Last, but not least, the chain of responsibility in matters of finance and accounting must run within the business branch itself, and Commanders of troops should have no share in this responsibility.

Formation of such a Branch.

33. The chief of the business branch would be, under the British nomenclature, the Quartermaster-General to the Forces, and the heads of departmental sections working under him at Headquarters and in districts would be termed Assistant Quartermaster-Generals and Deputy Assistant Quartermaster-Generals. The business branch as a whole might, again on the British analogy, be styled the Army Service Corps.

The rank and status of the Quartermaster-General should be in proportion to the importance of his duties. Assuming that the General Officer Commanding the Forces is a Major-General, the Quartermaster-General might suitably be given Brigadier-General's rank. In matters of rank, as in all else, the due subordination of the administrative branch to the executive head should be adequately safeguarded.

Its Instruction.

34. It is desirable that the Quartermaster-General should be left a free hand to determine the technical instruction of his subordinates, the examinations they should undergo, and the method of reporting on their fitness for promotion. Their military instruction and efficiency are, however, matters which, under the Commander, should be attended to by the General Staff. In particular, administrative officers should be encouraged to take part in Staff exercises, the service of supply, transport, accommodation, and payment of the troops in war being fully elaborated on these occasions. But in a Militia army the military instruction of men whose primary concern is with administration can easily be pushed too far. For instance, it would be unnecessary to insist on officers of the Quartermaster-General's branch passing the usual examination of tactical fitness for command.

Relation of Administrative Officers to Commanders.

35. The relations of the Quartermaster-General, and of his representatives in districts, with the Commanders of troops require to be defined. First and foremost, they are Staff Officers just as much as are officers of the General Staff, or Assistant Adjutants-General and Deputy Assistant Adjutants-General, and in that capacity they are agents who are bound to carry out the Commander's wishes whatever they may be. It is only when the Commander's wishes clash with the Financial Regulations, or with principles of economy, that the administrative officer's personal responsibility makes itself felt. In such an event it is his duty to point out to the Commander either that his proposed action is financially irregular, or that the intended procedure is economically unsound.

Overruling an Administrative Officer.

36. In the last resource—in war, or in any grave emergency—the Commander of the troops may always elect, at his own risk, to overrule the financial objection of his administrative officer. But as, by doing so, he would himself have to accept the fullest financial responsibility, it may fairly be assumed that this power would very rarely be exercised. Were it exercised, the administrative officer whose financial responsibility would thus be interfered with should have the right of direct reference to his own administrative chief. Both the power of overruling and the right of representation should be embodied in the "Regulations for the Military Forces of the Dominion of New Zealand" if the new system is instituted.

The Quartermaster-General's Position.

37. Under the system I advocate, the Quartermaster-General would become the (in the Treasury sense) "accounting officer" of the Defence Department, and the responsibility resting on him in this

* Extracts from this report are printed in Appendix VI.

† For proposals for the formation of such a corps see Appendix VII.