16. It appears advisable that some suggestions should be made with regard to the application of funds which the Provincial Government of Canada may hereafter obtain from their Legislature for militia purposes. I have, therefore, consulted with Colonel McMurdo, the Inspector-General of Volunteers in Great Britain, on this subject, and beg to submit the following suggestions :---

17. It is proposed that the force should be organized throughout the country so as to bear as equally as possible on the population of the several districts; that, in order that the officers and men may be acquainted with each other, the officers should be chosen so far as practicable from those districts, and that their appointments should be conditional on their qualifying themselves either at the schools of instruction, which have proved of so much value, or in any other way that might lead to the desired result, which should be tested by examination. The force thus organized should be told off in companies and battalions, somewhat on the principle of the administrative battalions of volunteers in Great Britain. The companies would be drilled at their respective head 'quarters, and might be assembled at central points for battalion instruction without necessarily involving an absence of the men from their homes for more than a day at a time.

18. There should be storehouses for arms, accoutrements, and clothing at the head quarters of the several companies, under the care of a serjeant-instructor, who should be permanently appointed to each company. The storehouses may be of an inexpensive construction, and, for the sake of security of the arms, should be surrounded with a palisade or other enclosure. It would obviously be a great advantage to have arms available at all times for the practice of the men of the several companies who might be disposed to profit by their use. With a view, therefore, to afford encouragement both to officers, non-commissioned officers, and men to work at rifle instruction and prize shooting, there should also be a range provided in a convenient locality for each company, or portion of a company, as the circumstances of the locality rendered desirable. By these arrangements the men would obtain a fair knowledge of company drill and musketry practice, which would much facilitate their instruction as a battalion.

19. The permanent staff of the battalion should consist of an adjutant and a serjeantmajor for the battalion, with a serjeant-instructor for each company. The adjutant should in the first instance be an experienced officer from the regular army, and should from time to time visit the several companies at their respective localities.

20. It is recommended further that the country should be divided into convenient districts for the concentration of the battalions into brigades and divisions, and that the several corps should be assembled, if practicable, in camps for exercise. A brigade and division staff should be appointed for this purpose.

21. The permanent charges for this organization would be the pay of the adjutants, the serjeant-majors, and serjeant instructors; the cost of erecting storehouses; the provision of arms, accoutrements, and clothing; the pay of such battalions as might be called out annually for drill; and the outlay requisite for the education of officers and serjeants at the schools of instruction, as already established.

22. It is for consideration whether, when not embodied, the principle of a capitation grant in proportion to the certified efficiency of the members of the several companies would not be desirable. (See Order in Council, pages 36 to 43 of Volunteer Regulations for Great Britain; also Articles 259 to 278 of the same Regulations as regards the rules under which the capitation grant is distributed.)

23. It is believed that an organization on these principles would afford the means of applying the funds at the disposal of the Canadian Government for militia purposes to the best account, and with the least amount of inconvenience to the widely scattered population of the country.

24. Whether, however, this or any other possible arrangement be made for the organization of the militia of Canada, it can scarcely be expected that the force that could be mustered at an outbreak of hostilities would be equal to withstand the enemy in the open field. Works of defence are, therefore, essential to enable our comparatively small forces to hold the points against which the main attacks would be directed. It is at the commencement of a war that the greatest danger is to be apprehended, and it is submitted that it is only by availing ourselves of the advantages afforded by fortifications that we can provide against our troops being overpowered at the first onset, or that time can be obtained for rendering the militia available for the defence of the country.

The question appears to be ;--whether the British force now in Canada shall be with-