

today, it is estimated that we would be able to build our forces in a year to 52,000 in the Navy, 115,000 in the Army and 65,000 in the Air Force, with virtually no operational forces before that time.

14. Since the estimates for 1948-49 are arrived at on the assumption that the present ceilings would be reached by the Navy by 1st September, 1948, by the Army by 1st March, 1949, and by the Air Force by 1st September 1948, that is, at dates not very different from the dates at which those strengths would be reached if the present flow of recruits continues, raising the ceilings would not materially raise the expenditures related to personnel during the current year. They would, however, enable us to plan for succeeding years very much more carefully.

15. We may expect further recommendations from the Permanent Joint Board on Defence for additional undertakings.

16. In conclusion, it is submitted that the ceilings should be raised to the figures mentioned in Para. 11 above, or alternatively, that the present restrictions on the original manpower ceilings should be removed, so as to permit the programmes outlined in Paras. 9 and 10 to be carried out.