MILITARY DISTRICT No. 1.

Head Quarters, London, 8th January, 1870.

Sir,—I have the honor to forward you the Report of my Annual Inspection of the corps under my command which have performed the 13 days drill for the current year, up to the present date, these being all the Infantry Corps in the District, viz:—

11 Battalions of 78 Companies, 305 Officers and 3662 men; being an average of 3 officers and 47 men per Company, as per my Abstract enclosed herewith.

The London Field Battery E., under command of Lt.-Col. Shanly, will commence in a few days to perform their Annual Drill with guns and waggons of the Battery on sleighs. You will probably remember having held a Brigade Field day in London, on the 16th September last, when you inspected this fine battery, the number on parade being 2 Officers, 56 non-commissioned officers, gunners and drivers and 50 horses, at which time you also inspected the London Troop of Cavalry, numbering 3 officers, and 38 men and 41 horses, this troop, with the other "St. Thomas" Troop belonging to the squadron, propose performing their Annual Drill next week.

I have to report that I have noticed a very great improvement in the drill of the battalions this year, and also I think that their arms, accourrements and clothing were kept much cleaner than when in Billets as last year, and I consider the corps to be in a much more experienced state to take the field. But there is a general feeling that the period allowed for drill in camp is too limited and that the men had only commenced to get settled down to camp life when the day came for them to break up camp.

I have much satisfaction in reporting the zeal and energy of the officers, and that the general conduct of the men has been most exemplary, and highly creditable to them.

Since last year, one Battalion, (the 31st Battalion, County Grey,) has been moved from under my command, and 12 Companies in the District have failed to re-enroll, against which decrease five new Companies have been accepted, and I have to report the offers of many more new companies which only await to enroll themselves.

The 33rd Battalion at Goderich, upon your instructions, furnished the company of Garrison Artillery toman the guns on board the gunboat Prince Alfred, for the latter two months of the navigation on Lake Huron, which service they performed very efficiently and became very skilful at artillery practice with the guns.

The Target Practice this year has been unusually limited, in consequence of the unsettled state of the weather this season, and most corps have therefore postponed till better weather. A supply of 25 Targets was received and issued to the companies most in need, but a further supply is much required.

Generally the state of the arms and accourrements of the corps is very efficient, the clothing in most cases servicable, but several companies will require new great coats for next drill, to this the Brigade Major will pay special attention, at their next inspection, and a Report will be forwarded you on the subject.

I have to suggest that a Hospital Marquee is much required for Battalions in camp,