

OVERSEAS MILITIA COUNCIL SUGGESTED.

Ottawa, October 18, 1916.

"Dear General Hughes,—

"I am enclosing herewith a memorandum embodying the proposal "which I discussed with you yesterday. The grounds upon which it is "based are briefly summarized in the draft Order-in-Council. In order "that our participation in the war may accomplish the highest results, "the co-operation between this Government and the Imperial Government "should be as close and effective as possible. Our forces at the front are "grouped in the Canadian Army Corps, but that army corps, as well as the "Australian and New Zealand troops in the western theatre form part of "the British forces under the direction of the Commander-in-Chief, Sir "Douglas Haig.

"By the end of the present month the number of troops actually despatched to Great Britain will exceed 256,000. More than 100,000 are in "the fighting line at present.

"It is apparent that we should have a more efficient organization in "Great Britain. Your recommendations as to an Overseas Militia Council "are based on that view, as I understand. I am not criticizing your suggestions as to the personnel of the proposed overseas council, but I am "of opinion that the direction of a member of the Government resident in "London is both desirable and essential.

Canada's War Expenditure Greater Than Total Annual Revenue Before War Broke Out.

"Our overseas force already despatched to Europe is greater by 100,000 men than the effective strength of the British regular army before "the commencement of the war. The expenditure thereon is larger than "the total annual revenue of the country before the war broke out. A still "greater effort will be necessary before the supreme purpose for which "this war was undertaken shall have been accomplished.

Great Ability and Wonderful Energy.

"You will agree that the most effective control of expenditure under "the war appropriation act must be provided. Every consideration demands our best efforts for that purpose. I realize that you have done "much to assist in cutting down expenditure. The proposal embodied in "the draft Order-in-Council is not intended as a reflection upon your "efforts or your administration. I thoroughly appreciate the great ability, "the wonderful energy and the unequalled resourcefulness which you have "placed at the service of the country ever since the outbreak of war.

"I should be glad to have you take the subject into consideration to-day as I desire to have it discussed in council to-morrow, if possible.

"Yours faithfully,

"(Signed), R. L. BORDEN.

"Lieut.-Gen. Sir Sam Hughes, K.C.B., Ottawa, Ont."

ACTION OF PRIME MINISTER WILL CRIPPLE, IMPEDE AND REDUCE OVERSEAS FORCES TO CHAOTIC CONDITION.

October 23rd, 1916.

"Dear Sir Robert :—

"Your letter October 18th received. I entirely agree that the one "object to the accomplishment is the winning of the war, but I must submit "that the proposed Order-in-Council of September 22nd ult., with its accompanying regulations, will, to my mind, cripple, impede and again "reduce the force overseas to the chaotic condition to which it had fallen "at the end of the first nine months of the war under a system practically "what you now propose re-establishing.

"I regret that I cannot endorse your statement that 'It is apparent