

**CIHM
Microfiche
Series
(Monographs)**

**ICMH
Collection de
microfiches
(monographies)**



Canadian Institute for Historical Microreproductions / Institut canadien de microreproductions historiques

© 1997

The copy filmed here has been reproduced thanks to the generosity of:

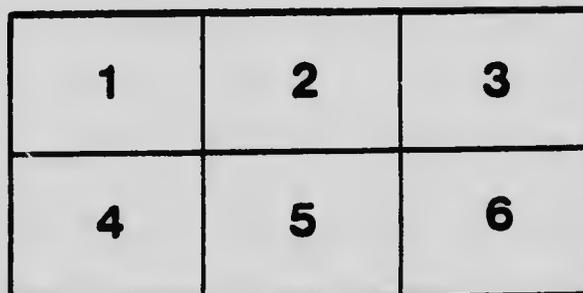
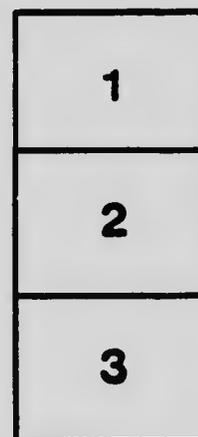
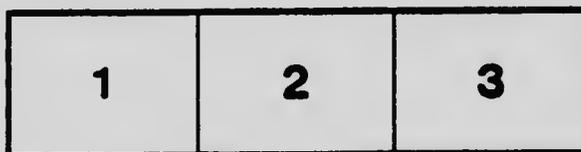
National Library of Canada

The images appearing here are the best quality possible considering the condition and legibility of the original copy and in keeping with the filming contract specifications.

Original copies in printed paper covers are filmed beginning with the front cover and ending on the last page with a printed or illustrated impression, or the back cover when appropriate. All other original copies are filmed beginning on the first page with a printed or illustrated impression, and ending on the last page with a printed or illustrated impression.

The last recorded frame on each microfiche shall contain the symbol \rightarrow (meaning "CONTINUED"), or the symbol ∇ (meaning "END"), whichever applies.

Maps, plates, charts, etc., may be filmed at different reduction ratios. Those too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagrams illustrate the method:



L'exemplaire filmé fut reproduit grâce à la générosité de:

Bibliothèque nationale du Canada

Les images suivantes ont été reproduites avec le plus grand soin, compte tenu de la condition et de la netteté de l'exemplaire filmé, et en conformité avec les conditions du contrat de filmage.

Les exemplaires originaux dont la couverture en papier est imprimée sont filmés en commençant par le premier plat et en terminant soit par la dernière page qui comporte une empreinte d'impression ou d'illustration, soit par le second plat, selon le cas. Tous les autres exemplaires originaux sont filmés en commençant par la première page qui comporte une empreinte d'impression ou d'illustration et en terminent par la dernière page qui comporte une telle empreinte.

Un des symboles suivants apparaîtra sur la dernière image de chaque microfiche, selon le cas: le symbole \rightarrow signifie "A SUIVRE", le symbole ∇ signifie "FIN".

Les cartes, planches, tableaux, etc., peuvent être filmés à des taux de réduction différents. Lorsque le document est trop grand pour être reproduit en un seul cliché, il est filmé à partir de l'angle supérieur gauche, de gauche à droite, et de haut en bas, en prenant le nombre d'images nécessaire. Les diagrammes suivants illustrent la méthode.

MICROCOPY RESOLUTION TEST CHART

(ANSI and ISO TEST CHART No. 2)



1.45

1.50

1.56

1.63

1.71

1.80

1.88

1.96

2.04

2.12

2.20

2.29

2.38

2.47

2.56

2.65

2.74

2.83

2.92

3.01

3.10

3.19

3.28

3.37

3.46

3.55

3.64

3.73

3.82

3.91

4.00

4.09

4.18

4.27

4.36

4.45

4.54



APPLIED IMAGE Inc

1653 East Main Street
Rochester, New York 14609 USA
(716) 482 - 0300 - Phone
(716) 288 - 5989 - Fax

7-8 EDWARD VII.

SESSIONAL PAPER No. 228

A. 1908

MEMORANDUM

BY

MAJOR GENERAL P. H. N. LAKE, C.B., C.M.G., INSPECTOR GENERAL

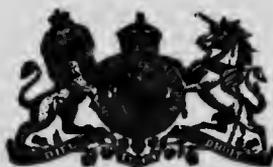
UPON THAT PORTION OF

THE REPORT OF THE CIVIL SERVICE COMMISSIONERS, 1908

WHICH DEALS WITH THE

MILITARY ADMINISTRATION OF THE MILITIA

PRINTED BY ORDER OF PARLIAMENT



OTTAWA

PRINTED BY S. E. DAWSON, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1908

[No. 228—1908.]

0 923627

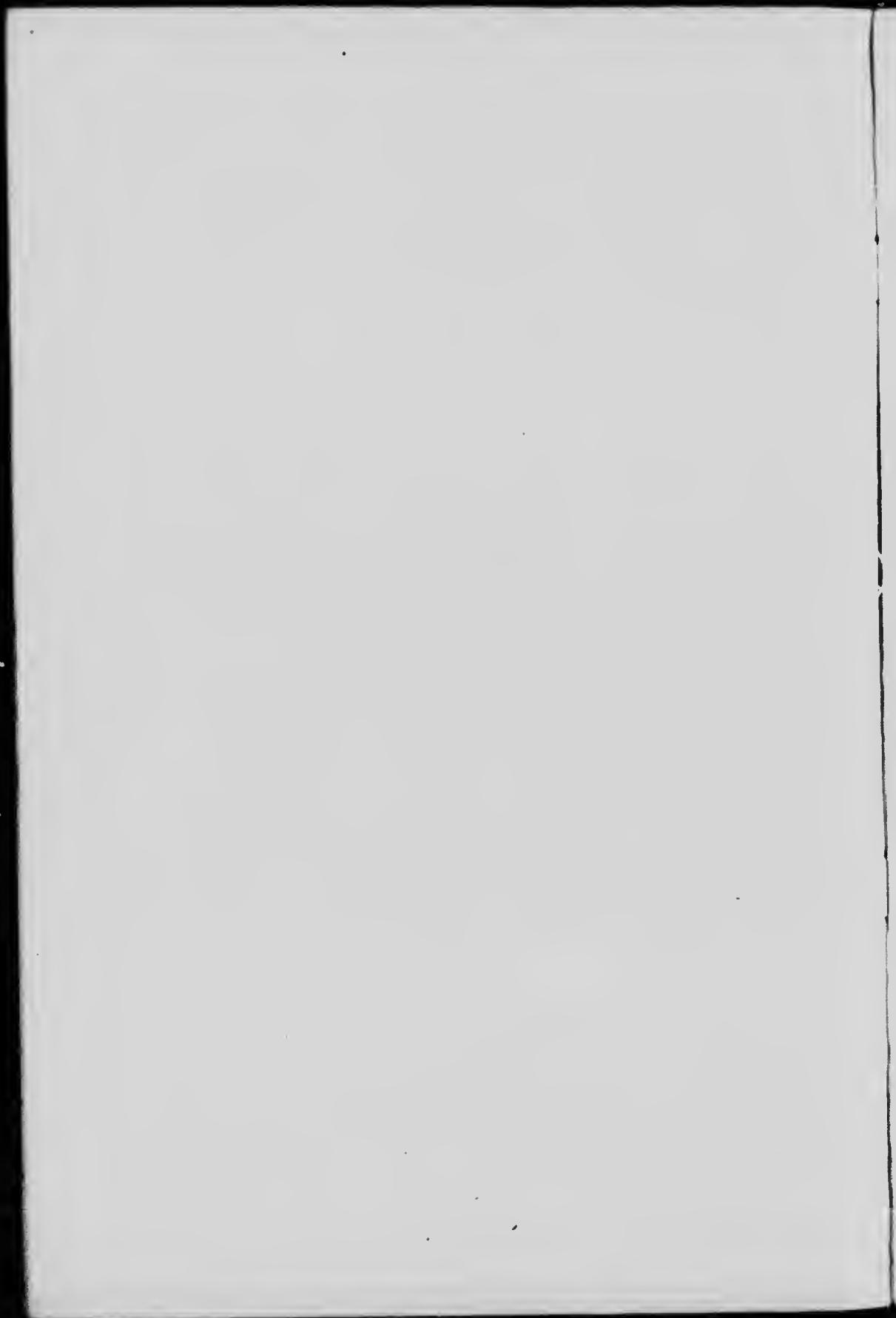
To the Honourable the Minister of Militia and Defence.

SIR,—I beg to submit herewith a memorandum, with appendices, upon that portion of the Report of the Civil Service Commissioners which deals with the military administration of the Militia.

Your obedient servant,

P. LAKE, *Maj.-Gen.,*
Inspector General.

OTTAWA, April 16, 1908.



MEMORANDUM BY MAJOR GENERAL LAKE, INSPECTOR GENERAL,
UPON THAT PORTION OF THE REPORT OF THE CIVIL SERVICE
COMMISSIONERS WHICH DEALS WITH THE MILITARY ADMINIS-
TRATION OF THE MILITIA.

That portion of the report of the Civil Service Commissioners which deals with the Department of Militia and Defence opens with a statement that the expenditure in the department has largely increased within the last five years, and closes with an argument, or perhaps rather with a series of statements, apparently intended to show that, in spite of that expenditure, the militia force of the country is not in a state of efficiency.

This latter expression of opinion by the Commissioners naturally suggests the question of how far they were a body capable of adjudicating upon a highly technical military question, and whether it was the intention of the government that the military efficiency of the militia should be inquired into by the Commission. It is somewhat difficult to trace such an intention in the terms of reference.

No doubt, however, the Commissioners were, or considered themselves to be, at liberty to interpret their terms of reference as they thought fit. The matter is only mentioned here in order to point out the curious position in which these gentlemen were thus placed, or placed themselves, when they—purely civilians, without any military knowledge whatever—undertook to investigate and record an opinion upon an important military subject without expert assistance of any kind. It is surely unprecedented that any commission should be called upon to report upon an intricate technical question without at least one expert being included among its members, to assist his colleagues both in framing the questions to be asked and in understanding the effect of the answers received.

The serious disadvantage under which the Commissioners laboured in this respect is apparent from the wording of many of their questions, their frequent failure to grasp the meaning of the replies given and the somewhat obscure terms in which many of their conclusions are expressed.

The remarks which are especially devoted to the Militia Department open by a reference to expenditure, which is said to be 'going up by leaps and bounds' from three and a half million dollars in 1903-04 to six and a half million dollars for the fiscal year ending March 31, 1909. The Commissioners refrain, however, from making any reference to the main causes of this increase of expenditure, causes which are well known to the militia.

The Commissioners state that they have chosen these two years for comparison because it was in the year 1904 that the present Militia Act was passed, under which the Militia Council was appointed. Be that as it may, it would seem to have been only fair to the country and the department had they indicated some of the reasons for the increase of expenditure to which they refer.

In the year 1904, Halifax and Esquimalt were still garrisoned by Imperial troops and paid for, with the exception of a contribution from the Dominion towards the cost of Esquimalt, out of the Imperial exchequer. It is no exaggeration to say that, of the difference between the estimates for 1903-4 and 1908-9, a million and a half dollars must be put down to the assumption by Canada of the responsibility for garrisoning Halifax and Esquimalt, a step fully endorsed by Parliament and the country generally.

7-8 EDWARD VII., A. 1908

The difference between the cost of the annual drill of the militia in 1903-4 and in 1908 accounts for another half million dollars at least. This increase is due mainly to the much larger numbers now trained as compared with the small numbers trained and paid for out of the votes for the former year. At least 11,000 more men and 2,500 more horses were trained in 1907 (upon which year the estimates for 1908-9 are based) than in 1903-4. The grant of efficiency pay to the Active Militia, which was made in June, 1904, and only affected one or two camps in that financial year, also helps to account for the difference.

Besides the above, the pay of the permanent corps was considerably increased, especially in the lower ranks, in November, 1904. This increase, like the grant of efficiency pay to the Active Militia, was rendered absolutely necessary by the impossibility of obtaining good men at the rates previously in force.

Many additions of great importance have also been made to the militia force. The Corps of Engineers has been greatly expanded and better equipped. The Medical service has been organized and developed; its equipment has been brought up to date. The Army Service Corps has been increased and developed, and can now entirely supply the troops either in the field or in camp. The Canadian Ordnance Corps has been organized. A small Corps of Military Clerks has been formed, available for active service when required. The Corps of Guides has been organized. Great encouragement has been given to rifle associations and cadet corps.

Besides these additions to personnel, considerable progress has been made with the rearmament of the artillery with the latest pattern guns, both field and heavy, and of the infantry with the Ross rifle.

The rearmament of the artillery is responsible for an addition to the estimates of \$350,000 per annum, that of the infantry for \$270,000 per annum, making together 620,000.

Besides this, a reserve of ammunition and equipment has been gradually created; the survey of Canada upon an accurate basis—most important from a defence point of view—has been commenced, and, last, but by no means least, a great central training camp has been acquired and equipped at Petawawa.

It is rather a pity that the Commissioners should have commented unfavourably upon the increased expenditure without thinking it necessary to make any reference to these reasons for that increase, which are matters of policy approved by parliament.

On the contrary, they seem to wish to attribute the whole of it to the assumption by the Militia Council of what they designate as the 'control' of the Militia Department. A parallel is drawn between the Army Council at the War Office in London and the Militia Council at Ottawa in which it is argued, with somewhat scant acquaintance with the organization of the War Office, that the Army Council is 'entirely distinct' from the War Office, whereas the Militia Council has 'swallowed up' the Militia Department. To any one who knows the War Office, the former statement is wide of the truth.

An attempt is also made to show that parliamentary control is more fully assured in England than in Canada. Parliament is supreme in both cases, and the weakness of the contention advanced by the Commissioners will be recognized when it is remembered that the Militia Council is by law (para. 7, Militia Act) purely advisory to the minister, and cannot act without his direct assent (see order in council of December 7, 1904), whereas the letters patent of February 6, 1904, which created the Army Council, not only vested in the latter all the prerogative powers of the Crown previously exercised by the Secretary of State or the Commander in Chief, but gave to any three of its members authority to exercise its full powers.

The next criticism offered by the Commissioners is that the military officers at headquarters are more highly paid than their colleagues in the Civil Service. They add that, for the services performed, the Militia Department awards to its officers pay vastly higher in proportion than any other of the departments under the Crown.

SESSIONAL PAPER No. 228

Military officers on the staff at headquarters would be the last to depreciate in any way the work performed by their colleagues of the Civil Service, whom they believe to be poorly paid for the good work they do, but they notice that the Commissioners base part of their argument on an allegation that military officers work shorter hours than their civil colleagues. Colonel Fiset, the deputy minister, the only official giving evidence who is in a position to judge of the hours worked by the military staff, does not say this in his evidence, and it is quite contrary to the facts. It is a daily occurrence for the military officers at headquarters to be found working in their offices till 6 p.m. or later, as well as on Saturday afternoons, public holidays and Sundays, and in the evenings after dinner. Some of them habitually take work to their homes, and, while the military officers would gladly acknowledge that many of their civil colleagues, especially the Central Registry, work long hours as well, it is not their experience that these long hours are so general in the Civil Service as in the military branch at Militia Headquarters.

The Commissioners do not seem to realize that much of an officer's work must be done out of office hours. His office hours are fully occupied with the work of administration, he must find time outside of them to prepare himself for his work as a soldier, to study strategy, tactics, and military training, to read up military engineering and artillery questions, and work at multifarious other subjects which affect his knowledge of his profession. The military officer who has reached high rank on the staff, is, in fact, a highly technical officer, quite as technical in his way as the Deputy Ministers of Railways and of Justice, whose rates of pay, respectively equal to and higher than those of any member of the Militia Staff, are referred to as quite justifiable by the Commissioners. His professional knowledge, like that of the Deputy Minister of Militia, has to be of a very different nature from that of the non-technical members of other departments in the Civil Service, and technical knowledge is generally recognized as a reason for higher remuneration.

It may be mentioned in passing that a reference to the Army Estimates will show that the rates of pay of the military and civil members of the Army Council bear very much the same proportion to each other as those which obtain in the Militia Council, but this comment is only introduced to show that there is nothing exceptional in the existing arrangements.

Lastly, it may be noted that there is nowhere a sign of any recognition by the Commissioners of the fact that the military officer undertakes obligations far beyond those which are laid upon members of the civil service. Apart from the question of actual danger to life or limb incident to war, there is a real appreciable risk in times of peace. Only recently, an officer on the Headquarters Staff was refused an insurance by a large accident insurance corporation on the ground that his profession was dangerous even in peace. General Lake had a similar experience.

The officer places himself under a discipline which is not the less real that the outsider sees little of it, and which makes calls upon him at any hour of the day or night. He is liable to be moved at short notice from one station to another, which, if he is married, involves expenditure in house moving and rent, interference with the education of his children, and so on. He is required to provide himself with horses, groom and saddlery whenever working with troops, and he has to keep up an expensive uniform. All of these are conditions which may reasonably be held to affect the relative rates of remuneration suitable to the two services. Nor should consideration be withheld of the especial responsibility laid on every officer, whether permanently employed or otherwise, in that he may at any moment be called upon to deal with questions, his decisions on which will affect the life or death of hundreds of men, and to be answerable with his own life and honour for the manner in which he then acquits himself.

The Commissioners consider that the appointment of an Inspector General is of but little benefit to the militia, and recommend that, when vacant, it be not filled.

7-8 EDWARD VII., A. 1908

They state that, in Great Britain, the appointment was made for reasons which do not exist in Canada. They do not give those reasons, and it is, therefore, impossible to judge how far the Commissioners' contention holds good.

But it may be remarked that the committee of 1904, on whose report the present War Office organization was adopted, were very insistent upon the need for an Inspector General; indeed, they said that effective inspection was 'absolutely imperative.' And the appointment is at present filled in England by one of the ablest soldiers in the army (General Sir John French).

An Inspector General was appointed in Canada because the arguments used by the War Office Reorganization Committee (and detailed in their report) were concurred in, and it was considered essential to provide for inspection by a highly qualified officer, competent to speak with authority upon all military questions, who should ensure, first, that the directions of the Militia Council were faithfully and uniformly carried out throughout the militia force (especially that the instruction given in the various military schools should be uniform) and, second, should report to the Militia Council upon the practical results of the measures adopted by it. Thorough and competent inspection is, at least, as necessary in the militia as in any business concern.

The Commissioners take especial exception to the existence of the 'Army Pay Corps', which has recently been organized. In this respect, it need, perhaps only be stated:

(1) That a trained Pay Corps is an absolute necessity for an army in the field. It would be too late to train it when war broke out. The enormous expenditure of the South African war is a good example of the wasteful results of maintaining too small a pay department in peace.

(2) A trained Pay Corps is just as necessary to economy and efficiency in peace as on active service. The assumption of the charge of the garrison of Halifax has by itself made a pay corps of some sort a necessity. Col. Fiset, Deputy Minister, told the Commissioners that the work of the Army Pay Corps saved to the public many times the amount of their salaries. No one who has any knowledge of pay arrangements at the annual camps and with the permanent corps during the year can have any doubt of this. Last year, at two of the smaller camps alone, over \$3,400 of unfounded claims were disallowed, which, under previous conditions, would almost certainly have passed without question.

It may be noted in this connection, that the Auditor General, in commenting upon overpayments of efficiency pay in 1905—before the Army Pay Corps existed—wrote: 'This office. . . . cannot check the pay lists accurately in detail without the service rolls of the various corps and some local knowledge of the names thereon as well.' This local knowledge is what the officer of the Pay Corps supplies.

The Commissioners appeared to think that all payments could be made to the militia by means of individual cheques from the Department of Militia and Defence. They can hardly have realized that this course would involve an attempt to prepare, sign and distribute on the last day of each camp, a cheque for each man, to the 25,000 or so troops in the annual camps. The impossibility of such an attempt will be understood when it is remembered that the amount due to each man depends on the efficiency pay earned and can only be computed towards the end of the camp.

(3) The Commissioners assumed that the Army Pay Corps was merely a resuscitation of the old District Paymasters, an entirely different body of men, not performing the same duties. The Commissioners made what can only be termed superficial inquiries from Col. Fiset and the Auditor General as to the system and duties of the Pay Corps, and had, apparently, no knowledge of the audit side of the work.

As no officer of the Pay Corps was summoned before them, it is perhaps hardly to be wondered at that their report displays ignorance of the situation. As regards the Auditor General's evidence, the following question and answer, given at almost the end of his evidence on the subject, are significant:—

SESSIONAL PAPER No. 228

Question by the Chairman—'I wanted the Auditor General to explain the system in order that the absurdity of it might be placed before us. Now, tell us another thing, Mr. Fraser, do you know anything about the working of the Army Pay Corps?'

Answer.—'No, not yet. I will know more about it a little later on.'

A statement of the duties performed by the Army Pay Corps is given in Appendix A.

The Commissioners refer to the prevalence of desertion in the permanent corps and attribute it mainly to a want of sympathy between officers of the permanent corps and the men. It may be remarked that the reasons given by Major General Lake were, the demand and high pay given for labour everywhere, the smallness of the establishments, poor barracks, no change of station and the occasional failure on the part of the government to keep faith with the men. While he admitted that, possibly, in some cases, officers might not be in full sympathy with the men, he expressly stated that he did not think it to be the case to an appreciable extent. He pointed out, also, that some of the barracks were wretchedly bad. Surely it would only have been fair to the officers of the permanent force for the Commissioners to have mentioned some of these reasons.

The Commissioners state that they 'have noticed that it has been held to be of serious importance that the expenditure of the militia in Canada should increase with the growth of the revenue,' and devote some space to arguing against that theory. They do not state where the view to which they refer is set forth, so that it is not possible to verify their statement.

It is more of importance, perhaps, to see why they have brought in this reference. It is in order, apparently, that they may propose, as a preferable arrangement, 'that the expenditures (on the militia) should be increased according to the growth of the population and be put on a per capita basis.' If this means anything, it must apparently mean that the requirements of the defence of the country do not affect the question. No matter how imminent or how great the danger may be, the expenditure is only to increase in the same ratio as the population—no matter if the danger decreases or disappears altogether, the expenditure is to go on increasing because the population does. Their reasoning may embody some economical doctrine, but it is hardly common sense. The only reasonable plan is to regard military expenditure as an insurance against national danger, the amount of that insurance being decided by the extent and imminence of the danger and by the degree to which the nation can afford, and is willing, to insure itself.

One statement made by the Commissioners, which, though incorrect, appears to be made intentionally, seems to require notice. On page 39 they say 'The headquarters staff in Canada numbers about 40.' They first made this statement when examining General Lake, who corrected them, placing the number at 27. (Strictly speaking, there are only 23 staff officers at headquarters, the other four officers being employed solely as surveyors.) In the face of General Lake's correction, it is not understood why they should repeat their assertion, especially as they could easily have ascertained the exact number by a reference to the first pages of the militia list.

The Commissioners conclude with what they, apparently, intend for a severe indictment of the Militia Department. They state:

(a) That the expenditure has risen from three and a half in 1903-04 to six and a half million dollars in 1908. The fact is correct, but, as already pointed out, the increase is due to policy deliberately adopted by parliament and by the country, and the country has got good value for it.

(b) That 'the Permanent and Headquarters Staff have increased to the number of about 220.'

This is not true. The Commissioners must have got confused. The Permanent and Headquarters Staff together number, not 220, but 52. A special memorandum on the question of the staff has been prepared in which it is shown that the increase

7-8 EDWARD VII., A. 1908

is almost exactly proportional to the increase in the establishment of the militia and the additional responsibilities assumed. (See Appendix B.)

(c) That 'in addition to the general system of high pay, the favoured men of the militia draw pensions not only for themselves, but for their wives and children.'

It is a pity that the Commissioners could not have been more precise in their remarks here. The language used is so loose that it is difficult to gather what they mean. They have not referred to any general system of high pay throughout the militia and they talk of 'favoured men.' It might, therefore, be inferred that only certain special individuals were entitled to pensions, but by law all the militia alike are entitled to serve on for pension, to which the officers contribute five per cent of their pay, which contribution is forfeited if they leave the service before becoming eligible for pension. The Commissioners presumably would not altogether object to a pension system for the militia, since they have strongly urged the reintroduction of a pension system for the Civil Service. And, presumably also, they would not object to widows (not 'wives') and children receiving pensions, since they have recommended provision for them in their proposed pension system. It is, therefore, difficult to see what bearing this remark is intended to have.

(d) That 'the staff is sufficient for a "corps" (presumably a force is meant) of one hundred thousand men.'

One hundred thousand men is the size of the force which parliament has accepted as the standard necessary for the defence of the country, in first line, on emergency or in the event of war. There is no doubt but that men could readily be found in that case to fill up the ranks of the existing militia organizations and raise them to that total strength. The staff sufficient for that force ought, therefore, to be maintained at all times. Staff officers can not be improvised, they must be trained beforehand.

The Commissioners' comment, if correct, is, therefore, rather favourable than otherwise; but it is unfortunately very doubtful whether the existing staff can be considered to reach the bare minimum required for 100,000 men. It is certainly far less than the British establishment for such a force, and is indeed, upon the British scale, only just sufficient for the existing militia peace force of 55,000 men.

(e) That 'the permanent corps are under three thousand men.'

The bearing of this remark is not quite clear. The establishment of the permanent corps is fixed for the present at 3,000 men, and they are up to their establishment.

(f) That 'the desertions have been one in three.'

This statement was approximately true for 1905, but there has been much improvement since then. For 1906 the figures were one in six. For 1907 they were one in nine, and in many of these men rejoin from desertion and reduce the proportion.

(g) That 'the number of militia trained in the annual camps is about 40,000 men.'

This is not quite correct. The Commissioners have here mixed up both city and rural corps, of which only the latter train in camp. The total number of men trained during the year, exclusive of the permanent corps, amounts to about 41,000 and, as already explained, is a large increase on the numbers trained in 1903-4.

(h) That 'according to Major General Lake's evidence, the men "attached to" (presumably they mean "belonging to") the rural battalions have no drill except at the annual camps, and it is arguable whether the city corps are as efficient as they were some years ago.'

The first part of the above is practically correct, but it is not understood upon what evidence the Commissioners can possibly base their last conclusion, which is by no means concurred in.

(i) That 'while only 40,000 men come out for drill . . . the proportion seems small.' This is true, but the question is entirely one of finance. With more money more men would be trained.

SESSIONAL PAPER No. 228

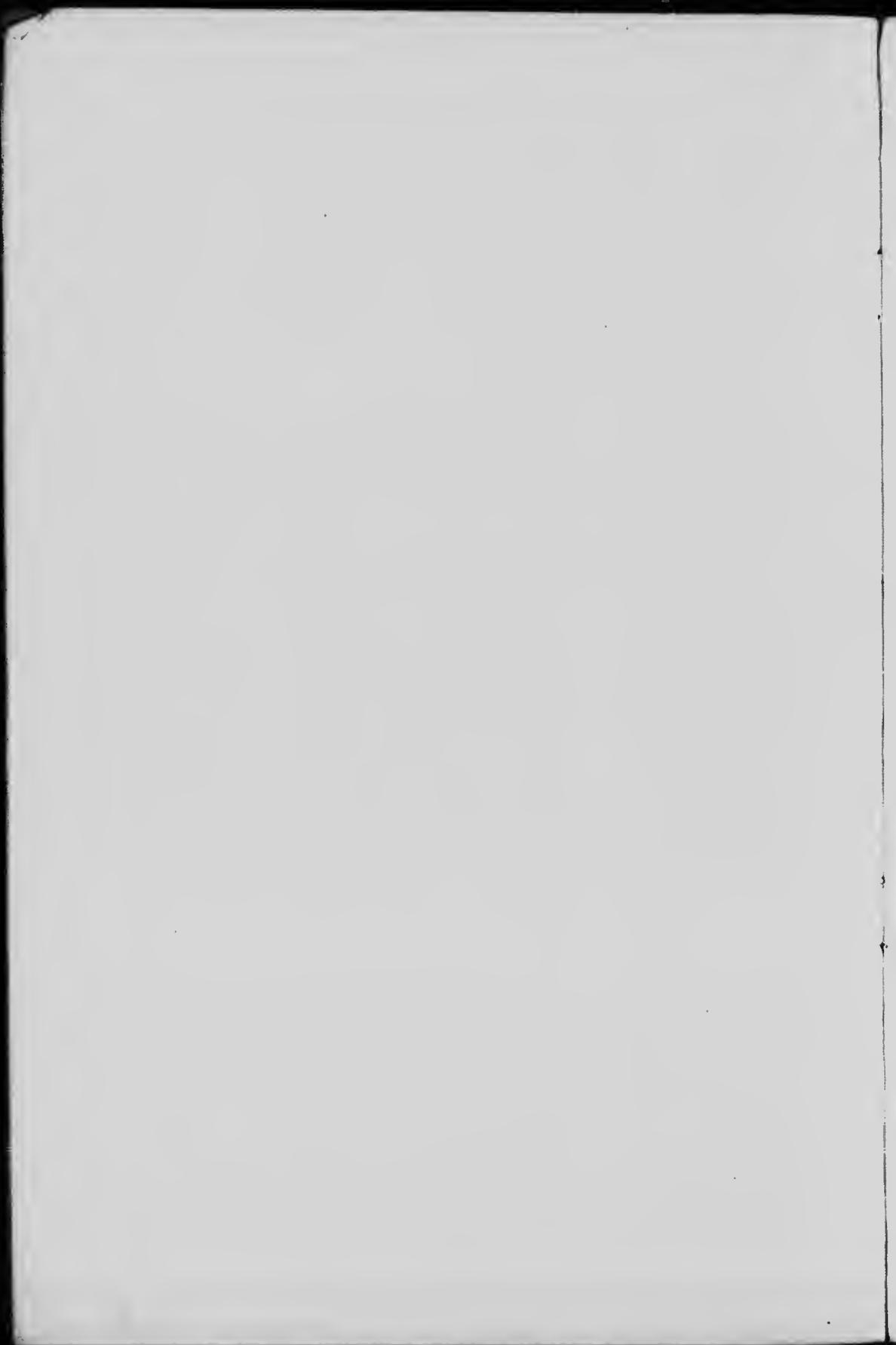
They sum up this indictment (for it can be nothing else) by saying, 'whether with all the large expenditure of moneys, the result as detailed above shows efficiency, the Commissioners leave to the consideration of Your Excellency.' They do not seem to realize that a training staff makes for efficiency, as also does a pay corps, which is an essential for war, and that, with the single exception of the question of desertions from the permanent force, they have not brought forward any other point which touches the question of the actual efficiency of the militia one way or the other. The efficiency of an army is gauged mainly by its degree of organization and training, and by its readiness to take and ability to keep the field. To no one of these points do the Commissioners make any reference whatever, and their conclusions can, therefore, carry little or no weight.

The militia of Canada takes itself seriously, and what it asks is that it should be made as efficient as is possible with the money that parliament decides shall be spent upon the force. The Commissioners have made no inquiry which can in the least justify their drawing any conclusions whatever as to efficiency or want of efficiency.

The only military witnesses whom they called were Colonel Fiset, Deputy Minister of Militia, and General Lake. It was quite impossible for any civilian commission, unaided by expert members, to gauge the question of efficiency in any way on such a superficial inquiry. So much was this evident that General Lake, when returning the corrected proofs of his evidence, thought it necessary to address a formal letter (Appendix C) to the Commissioners, in which he warned them that no conclusion on this subject could be fairly grounded upon what could only be a superficial examination of the case, and urged that, in the interests of the public service and of justice, no opinion on the question of efficiency ought to be recorded without far more searching inquiry and examination than they were able to give. Of that letter they appear to have taken no notice; they did not recall General Lake; they did not call any other military witness, and they make no reference to their having received any such warning. The absence of any such reference, it is submitted, makes their report on this question misleading to the public, who, knowing that Major General Lake was called as the only military witness, would naturally suppose that the Commissioners' military conclusions were in accord with his evidence, which is certainly not the case.

Appendices D and E show in a tabular form the relative conditions of the militia in 1895-6, 1903-4 and 1908-9, as regards respectively (a) its personnel, (b) its arms and equipment.

OTTAWA, April 16, 1908.



SESSIONAL PAPER No. 228

APPENDIX A.

ARMY PAY CORPS.

The work performed by the Army Pay Corps is, briefly, as follows:—

1. The senior officer of the Army Pay Corps in each command estimates, for each month, the amount required, under the various heads of services within the command, to meet all claims, and requisitions the accountant and paymaster general, Ottawa, therefor. A credit for this amount is then placed at his disposal at the local branch of the Bank of Montreal.

2. He issues weekly to officers commanding units of the permanent force the amounts needed to pay their men and discharge regimental bills and other charges, checking the amounts for which they apply to him by his knowledge of local conditions.

At the end of each month, he audits the pay-lists, with their vouchers, for the units in question, examining all details as to credits for pay, as to forfeiture of pay, issue of clothing and necessaries, hospital and regimental charges, &c., and satisfying himself as to the legitimacy of all extra pay and allowances claimed under the regulations.

It is to be noted that this duty must be performed somewhere, and can be done more easily and better locally than at headquarters.

3. The same officer examines and, after examination, pays all bills authorized to be incurred locally for purchase of supplies, for engineer services, and for other work carried out by the Militia Department within the district, satisfying himself that they are in accordance with contract, or, if not covered by contract, that prices are fair and just and not in excess of local market rates. This system of local payment ensures prompt payment and the obtaining of discount on accounts such as those for lighting, water supply, gas, &c., on which municipalities and other corporate bodies give discounts. It may be noted that the late Auditor General in 1902-3—before the Pay Corps was organized—drew attention more than once to the delay in receiving, verifying and paying these claims, due to their having to be dealt with at Ottawa, delay which frequently occurred when, owing to the special circumstances, inquiries had to pass between Ottawa and the local headquarters concerning them, with the result that discounts to a considerable amount had been forfeited.

4. The chief pay master and his office staff also attend all camps within the district and muster all men by service rolls at the beginning of camp and again by pay lists at the end of camp.

They advise as to the preparation of the pay-lists of units, and, on receipt, they check all details with the musketry and efficiency returns and with the efficiency rolls of the previous year. After satisfying themselves as to their correctness, they issue the pay for the troops in camp to the company commanders.

This careful preaudit of the regimental pay rolls was never carried out in the past. It not only prevents waste of public money, but saves militia officers, usually busy men, from much worrying correspondence and applications for refunds afterwards.

5. At standing camps, such as Petawawa, where detachments of men are constantly coming and going, they attend to the preparation of all pay-lists, claims for subsistence and travelling, &c. It would be impossible to work such a camp without an officer thoroughly conversant with the regulations and the constantly varying local conditions.

7-8 EDWARD VII., A. 1908

6. The Pay Corps examine all claims from the militia for allowances for care of arms, drill instruction, pay for guards of honour, salutes, grants to rifle associations, &c., and all travelling claims and pay-lists of civil employees. They attend inspections of all city corps to muster the men for pay, and subsequently audit the pay-lists before issuing money for the same.

7. The chief paymaster assists the officer commanding in preparing annual estimates for the various services in his command.

This involves careful examination of every kind of expenditure within the command and leads to economical administration.

8. He is responsible for calling attention to any expenditure which he may consider improper or unnecessary, and is personally held liable to make good any amounts improperly paid which cannot otherwise be recovered.

9. At headquarters the officer administering the Pay Corps attends to all correspondence and general questions dealing with the pay and allowances of the permanent force and active militia. All accounts undergo a second audit.

10. To sum up, the Pay Corps carry out a number of duties, previously only partially performed, if performed at all—duties which could not hitherto have been carried at headquarters owing to lack of personnel and which must be carried out somewhere if waste is to be prevented. With the growth of permanent force and militia, this work can be better done by paymasters having military knowledge, as well as accountant knowledge. Being acquainted with local conditions, officers of the Pay Corps are in a much better position to control expenditure than a purely accountant branch at headquarters, and payments can be made with greater despatch (a most important point in dealing with soldiers) than was possible when accounts had first to be referred to Ottawa from places as far distant as Victoria, B.C., Winnipeg or Halifax.

SESSIONAL PAPER No. 228

APPENDIX B.

HEADQUARTERS STAFF.

OTTAWA, April 15, 1908.

To the Honourable
The Minister of Militia and Defence.

A considerable amount of misconception, fostered by the ill-informed report of the Civil Service Commissioners, appears to exist on the subject of the number of staff officers now employed at headquarters and on the command and district staffs. I venture to think that it is desirable to place on record a clear statement of the case.

The Commissioners have, while criticising the Militia Department and the Militia Council, assumed the truth of an allegation often heard, to the effect that the number of staff officers has, of late years, been considerably increased. They have failed, however, to make any inquiry as to the real extent and nature of whatever increase there has been, or the reasons for it.

It has more than once been advanced in the press, in criticism of the administration of the militia by successive General officers Commanding, that each one was apt to differ from his predecessor's views and to introduce a new organization. While there may have been some ground for this criticism, it is remarkable that all General Officers have been agreed on one point, at any rate, and that point was the necessity for a reorganized and augmented staff.

Major-General Herbert took over the command of the militia in December, 1890. In writing his first annual report, dated December 31, 1891, he uses the following expressions:—'The existence of an energetic and capable staff is indispensable to secure the efficiency of any military organization, whether it consist of regular or militia troops. . . . The Headquarters Staff should be the brain of the militia body whose members it is presumed to direct. . . . I am thoroughly convinced that, if the country is to receive an adequate return for its military expenditure, a reorganization of the staff is necessary. . . . A chain of responsibility, maintained by competent staff officers, must exist.' At this period, while the Headquarters Staff of the Militia was small—it consisted of only four officers—yet the District Staff was disproportionately large. It consisted of 28 officers, and it is evident from the Militia List of that date, that the normal organization for each district was supposed to be a deputy adjutant general, a brigade major, and an officer combining the duties of district paymaster and superintendent of stores.

General Herbert repeated his recommendations concerning the staff in subsequent annual reports, in one of which he said: 'Much useful work has been delayed, and proposals for the defence of the Dominion have been necessarily set aside, in consequence of difficulties arising at the outset from defective staff organization.'

When Major-General Gascoigne assumed the command of the militia in 1895, one of the recommendations contained in his first report was the following:—'As already urged by my predecessor, one of the greatest needs of the militia is a systematic organization throughout the whole service. No force which consists merely of a number of individual units, such as regiments, battalions and batteries, with no organized staff, and without those departments which clothe, feed, arm, nurse and pay the army in the field, can be looked upon as a force available for war.'

When Major-General Hutton in 1898 succeeded to the command of the militia, the following appears in his first annual report:—'There are no officers of the Cana-

7-8 EDWARD VII., A. 1908

dian militia who have received training in the higher functions and responsibilities of the general staff of an army. I need hardly remark that it is the staff which constitutes the brains and motive power of an army.' He went on to say: 'There are no military administrative departments at present in existence.'

General Hutton inaugurated a system of training for staff officers and paid great attention to questions of organization. His views upon the question of staff were largely shared by General O'Grady-Haly and by General Lord Dundonald. It was the last named officer who proceeded a step further, and, following in this respect General Hutton's lead, strongly urged the creation of higher commands, recommending that work should be decentralized so that they should be self-contained, and that the commander of each should be assisted by a permanent staff officer, by the district officers commanding under him and by their staffs.

As having been, to a considerable extent, in General Herbert's confidence, I am able to say that, in urging the reduction of the previously existing district staffs, to which he gradually gave effect, he was opposed, not to their numbers, but to the fact that the officers composing them were not, in any sense of the word, trained staff officers. His object was by degrees to remove officers whose age and want of training militated against their doing proper staff work, and, in due course, to replace them by a properly organized and trained staff.

By the time General Gascoigne took command of the militia, the number, upon the advice of General Herbert, had increased the number of officers at headquarters from four to six. Under General Hutton, they were increased to eight. General O'Grady-Haly brought the number up to ten, while, during Lord Dundonald's stay, the number rose to twenty. The only noticeable omission in his list was the absence of any general staff, though one function of its duties was, it is true, discharged by the intelligence branch which he organized.

The fact was that the growing importance and efficiency of the militia made these increases in its directing staff imperative.

The contention implied in the report of the Civil Service Commissioners, that any large increase in the headquarters staff has been carried out as a consequence of the inauguration of the Militia Council, is, therefore, without foundation. The sole increase to the headquarters staff since 1903-4 has been the addition of three officers, viz.: a chief of the general staff, a director of operations and staff duties, and a director of training. At the same time some rearrangement of the previously existing appointments has been made, in order that the organization of the Canadian headquarters should conform generally to that of Imperial Army headquarters at the War Office. During the same period, as a result of the South African War, the general staff at the War Office has grown from thirty-two to sixty-three officers.

It may further be remarked that the increase of the staff in connection with the organization of higher commands has also been often overestimated. The total of the district staff when Lord Dundonald first took command in 1902, amounted to twenty-four. The command and district staff together now number twenty-nine. Though the Commissioners talk of them as 'about 220,' the combined total of headquarters, command and district staffs at the present moment amounts to fifty-two officers. On January 1, 1893, the combined total of headquarters and district staffs was thirty-two. The establishment of the militia that financial year amounted to 34,330 of all ranks. For 1908, the total establishment amount to 57,718. In 1892-3 there was no Army Service Corps, no Army Medical Corps, no Ordnance Corps, no Army Pay Corps, no Corps of Military Clerks and no Signallers. The military force of that date could, therefore, not have taken the field—at least, not without many months' previous organization of these services. As to the relative efficiency for war of the forces in 1892-3 and in 1908, there can, therefore, be no question, although the increase of staff in the intervening period is almost exactly proportional to the increase in strength.

Another point usually forgotten by the opponents of any staff organization at all is the fact that, so long as the Imperial troops were garrisoning the fortress at Halifax

SESSIONAL PAPER No. 228

and Esquimalt, not only was an unusually large staff (eight officers for about 2,000 men) maintained at the former place for the acknowledged purpose of assisting the militia force in organizing its staff duties in the event of war, but also that the considerable number of Imperial officers regimentally employed at that station furnished at all times a military reserve upon which to draw for staff officers on emergency. With the assumption by Canada of the responsibility for the defence of these two places, the British troops have been replaced by Canadian troops and the supply of trained British officers formerly available for these important duties has ceased. Hence a considerable increase in the number of Canadian staff officers has been imperative.

It is further urged in the Civil Service Commissioner's Report, as an indictment against the staff of to-day, that it is (assumed by the Commissioners to be) sufficient for a force of 100,000 men. But, assuming this to be the case, 100,000 men is the force several times referred to in parliament, and accepted by parliament, as that which it is absolutely necessary for Canada to be able to place in the field in first line on an emergency. The cadres are all there, the organization is there, and the men to fill up the ranks can be found on emergency. It would, therefore, be rank folly to leave, as the only part of that force ignored and unprovided for, the staff, which has often, and justly, been described as 'the brain' of an army. The existing militia staff, if it be anything like sufficient for a force of 100,000 men, which is more than doubtful, can only be regarded as a bare minimum. In all probability, it was the want of a trained staff in the Confederate army that lost to the Confederates the battle of Gettysburg in 1863, and enabled the Federal troops to win the victory which, more than any other, saved the Union.

It may, perhaps, be of interest to note that the proportion of staff officers to men maintained in Canada and Great Britain respectively, for 1907-8 works out roughly at: In Canada 1 to 1,110, in Great Britain 1 to 1,060, of the forces provided for in peace. If the numbers of men which would be mobilized for war are considered, the Canadian proportion would be still smaller than the British proportion. It would be about 1 to 1,920 as compared with 1 to 1,280.

It may also be noted as pertinent to the subject that the cost of the military side of the headquarters of the Swiss army is nearly double that of militia headquarters of Canada, and this in spite of the fact that the rates of pay generally current in Switzerland are lower and that the economies possible under the system of universal service which there obtains tend to reduce expenditure considerably.

P. LAKE,
Major-General, I.G.

7-B EDWARD VII., A. 1908

APPENDIX C.

OTTAWA, November 25, 1907.

DEAR MR. COURTNEY,—I beg to return, herewith, amended and with certain notes, a copy of the evidence given by me before the Civil Service Commission, which evidence you were kind enough to return, in order that I might verify my answers upon those matters which are the concern rather of my colleagues of the Militia Council, and upon which I was not in a position to speak with authority. I shall be obliged if you will kindly cause any portion of my evidence which may be published to be corrected accordingly.

I venture, also, to submit, with the utmost respect, the following points for the consideration of your Commission. At least three-fourths of my examination was devoted to questions regarding the military administration of the militia force as carried out by military officers, not by civil servants. Some questions were put which were founded upon newspaper paragraphs, generally inaccurate, often misleading. Others were asked—see more especially questions 171, 311-313 and 328-334—which appeared to suggest that the increase of expenditure since 1892 upon the militia force had not been accompanied by a commensurate increase of efficiency.

It is not, perhaps, for me to advance the contrary proposition—though I hold it—but I must submit that no conclusion of that nature can fairly be grounded upon what could only be a superficial examination of the case. I, therefore, feel it my duty to urge upon the Commission that no opinion such as might be inferred from the tenor of the questions quoted—the accuracy of which is not always admitted—ought, in the interests of justice and of the public service, to be recorded, without far more searching inquiry and examination than the present Commission has been able to give.

Believe me,

Yours sincerely,

(Sgd.) PERCY H. N. LAKE,

Major-General, C.G.S.

J. M. COURTNEY, Esq., C.M.G., I.S.O.,
Chairman, C. S. Commission.

SESSIONAL PAPER No. 228

APPENDIX D.
TABLE to show establishments of organized Units of the Canadian Militia in 1905-6, 1906-04 and 1908-09, respectively.

Corps.	ESTABLISHMENT, 1905-6.		ESTABLISHMENT, 1903-4.		ESTABLISHMENT, 1908-09.		Remarks.
	Number of Squadrons, Batteries or Companies.	Total Numbers.	Number of Squadrons, Batteries or Companies.	Total Numbers.	Number of Squadrons, Batteries or Companies.	Total Numbers.	
<i>Permanent Force.</i> (Note 1).—							
Royal Canadian Dragoons—Squadrons.....	2	132	2	109	2	200	
Royal Canadian Mounted Rifles—Squadrons.....	Nil.		1	60	1	120	
Royal Canadian Artillery.....	14	173	2	238	2	315	
Horse or Field Batteries.....	Nil.		Nil.		1	165	
Heavy Batteries.....	2	171	2	225	4	629	
Garrison Companies.....	Nil.		2	132	2	300	
Royal Can. Engineers—Garrison Companies.....	4	324	5	407	10	1,079	
Royal Canadian Regiment Companies.....	Nil.		Nil.		6	150	
Permanent Army Service Corps.....	Nil.		Nil.		36	100	
Permanent Army Medical Corps.....	Nil.		Nil.		104	214	
Canadian Ordnance Corps.....	Nil.		Nil.		34	34	
Canadian Army Pay Corps.....	Nil.		Nil.		36	36	
Military Staff Clerks.....	Nil.		Nil.		3311	3311	Establishments provided for in the Estimates for 1908-9. (See Note 4).
<i>Active Militia</i> —							
Cavalry or Mounted Rifles—Squadrons.....	44	800	62	1,237	101	8,232	
Field Artillery—Batteries.....	17	2,115	17	5,106	25	2,712	
Heavy Artillery—Batteries.....	Nil.	1,345	4	2,013	14	1,675	
Garrison Artillery—Companies.....	32	2,462	28	478	10	1,241	
Field Engineer Companies.....	2	151	4	1,868	5	1,941	
Corps of Guides.....	Nil.		4	768	5	782	
Infantry—Companies.....	615	28,932	654	36	Detachments.....	107	
Canadian Army Service Corps—Companies.....	Nil.		8	34,257	710	38,849	
Can. Army Medical Corps—Field Ambulances.....	Nil.		8	448	12	1,351	
Corps of Signallers.....	Nil.		8 F. Hos., 9 R.C. Detachments.....	705	18	1,460	
Totals.....		33,835		47,423		57,718	
Number of horses.....		2,872		7,882		11,738	
Number of men trained (Note 2).....		19,000		32,000		46,000*	* Estimated.

NOTE 1.—Authority was given by Parliament in 1905 to increase the establishment of the permanent corps up to a maximum of 5,000 men, as might be found necessary in order to provide for the garrisons of Halifax and Esquimaux, and to allow for organizing additional units for instructional purposes to keep pace with the growth of the Active Militia. Up to the present time only a total establishment of 3,311 all ranks has been authorized.

NOTE 2.—The permanent corps have been included in each case in the number of men trained.

NOTE 3.—All units of the Militia provided for in the authorization are establishments for the financial year have been shown in each case. In each of the two earlier years, the formation of some units, though provided for, was not carried out in that year, and the same thing may possibly occur in the present year.

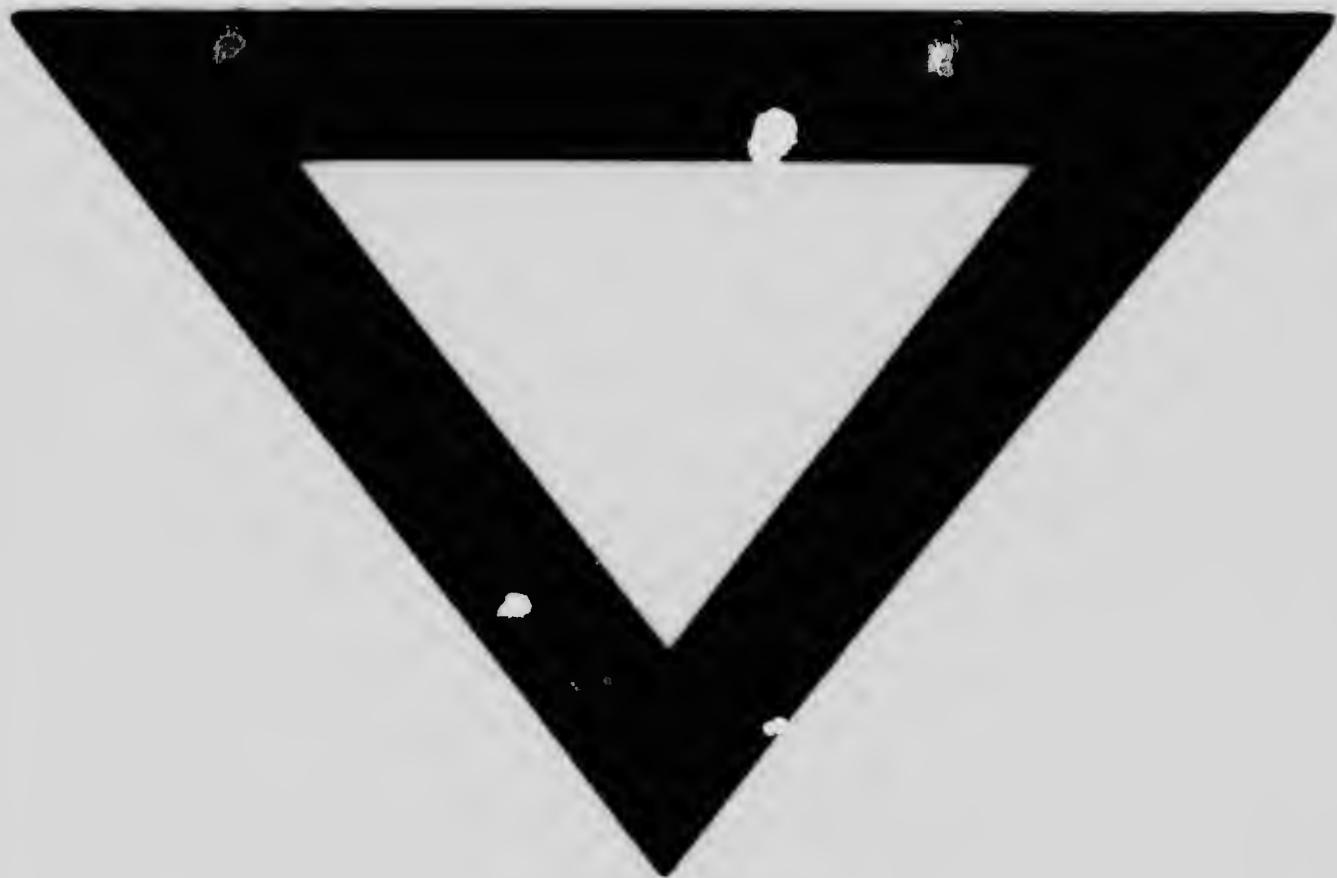
NOTE 4.—Of the difference in numbers between the establishments of the permanent force in 1903-4 and 1908-9, the assumption of responsibility for the defence of Halifax and Esquimaux accounts for 565 artillery, 150 engineers, 745 infantry and 150 departmental corps; total, 1,610.

7-8 EDWARD VII., A. 1908

APPENDIX E.

COMPARATIVE TABLE to show the Armament and Equipment of the Militia, also Cadet Corps and Rifle Associations, in the Years 1895-6, 1903-4 and 1908-9.

Subject	1895-6.	1903-4.	1908-9.
Light field guns.....	90 9-pounder muzzle loading. 36 12-pr. breech loading (under order).	90 12-pounder breech loading. 8 5"-Howitzer, B.L.	90 12-pr B.L. 12 15-pr. B.L. 36 18-pr. Quick Firing. 8 5"-Howitzer, B.L. 16 4.7" Q.F.
Heavy field guns.....	5 40-pr. Armstrong.....	17 40-pr. Armstrong (obsolete). 4 4.7" Q.F.	12 60-pr. Q.F. (for delivery in 1908). 39,000 Lee-Enfield and Lee-Metford. 1,000 Martini-Metford. 42,000 Ross.
Rifles and carbines.....	40,000 Sniders (obsolete). 5,000 Martini-Henry..... 2,000 Lee and Martini-Metford..... 42,000 Lee-Enfield (under order).....	39,000 Lee-Enfield and Lee-Metford. 1,000 Martini-Metford.	39,000 Lee-Enfield and Lee-Metford. 1,000 Martini-Metford. 42,000 Ross.
Maxim guns, .303 calibre.....	15.....	18.....	30 and 8 Pompons.
Ammunition for field artillery.....	About 300 rounds per 9 or 40-pr. gun. 400 per 12-pr gun (under order).....	About 400 rounds per gun. About 180 rounds per Howitzer	About 500 rounds per gun for all guns. Over 400 rounds per rifle.
Rifle ammunition.....	About 200 rounds per Snider. About 300 rounds per .303" rifle.	About 350 rounds per rifle.....	
Fortress armament (Breech loading guns only.)	8 7" R.B.L. (obsolete). 8 12-pr. Q.F. (under order). 8 6-pr. Q.F. (under order).....	1 6" B.L. (Drill purposes). 2 6" Howitzer (Drill purpose). 4 12-pr. Q.F. 8 6-pr. Q.F.	Halifax and Esquimalt are completely armed, Quebec partly so. It is inadvisable to give details of these. Supply complete for a above guns.
Ammunition for fortress guns.....	About 250 rounds per 7" gun..... Complete to scale for smaller guns (under order) as above.	Practically complete for Q.F. guns above on Imperial scale.	
Camp equipment.....	Enough for perhaps 15,000 men.....	Enough for about 30,000 men.....	Enough for about 45,000 men.
Personal equipment of men.....	Knapack, obsolete, only partly distributed.	Oliver equipment.....	Oliver equipment complete for all authorized units.
Harness and saddlery.....	Incomplete, some 30 years old.....	Practically complete.....	Complete for all authorized units.
Engineer equipment.....	None.....	In progress for 8 companies.....	Complete for 4 Field Cos.
Army Service Corps equipment.....	None.....	For bearer cos. and field hospitals, making good progress.	Complete for all existing units. Field Ambulances completely equipped.
Medical equipment.....	Practically none.....	Commenced and some progress made.	Regimental medical equipment nearly complete. Complete for all existing Sections. 800 wagons, 1,600 horses.
Signalling equipment.....	Practically none.....	A commencement made.....	
Reserve transport (registered).....	None.....		
Cadet corps.....	Few—no reliable record.....	104—Members about 5,000.....	152—Members about 8,000.
Rifle associations.....	42.....	93 Military, 257 civilian, 28,000 members.	130 Military, 371 Civilian, 38,000 members.



The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses and income. The document further explains that proper record-keeping is essential for identifying trends, managing cash flow, and complying with tax regulations.

In addition, the document highlights the need for regular reconciliation of accounts. By comparing the company's internal records with bank statements and other external sources, discrepancies can be identified and corrected promptly. This process helps to prevent errors from accumulating and ensures that the financial data is reliable and up-to-date.

The second part of the document focuses on budgeting and financial forecasting. It provides a detailed guide on how to create a realistic budget based on historical data and current market conditions. The document stresses the importance of setting clear financial goals and monitoring progress against these goals. It also discusses various forecasting techniques, such as trend analysis and ratio analysis, which can help in predicting future performance and making informed decisions.

Finally, the document addresses the issue of financial reporting. It outlines the requirements for preparing financial statements in accordance with generally accepted accounting principles (GAAP). It provides a step-by-step process for calculating key financial ratios and metrics, such as the current ratio, debt-to-equity ratio, and return on equity. The document concludes by emphasizing the importance of transparency and accountability in financial reporting, as well as the role of external auditors in verifying the accuracy of the information.