(1) The efficiency of an industrial establishment is measured by the economy with which it is administered and by the quantity and the quality of its production. Similar principles govern in the case of military organizations.

(2) Economy of administration in a military organization involves, first, a judicious expenditure of the funds appropriated for its upkeep; and, second, the exercise of care in the preservation of Government property by all officers and men. In deciding questions connected with the expenditure of funds readiness for active service should be the paramount consideration. All else is secondary. Economy in the use of Government property demands not only the closest supervision on the part of responsible officers, but also the active cooperation of all officers and men: Carelessness and wastefulness must be checked and all persons held to rigid accountability for the preservation of military material placed in their charge. In time of war, failure to conserve military material might well result in disaster.

(3) In a military organization, the quantity of production is represented by success in recruiting, and by the percentage of the total force which is available for active service. The question of speed in recruiting requires no discussion—its importance is universally recognized. The kindred question of making available for strictly military purposes the largest practicable percentage of the force is not such a simple one, but it is, nevertheless, just as vital to efficiency. It means the reduction of overhead to actual requirements, and the relief from special duty of men, unnecessarily detailed as clerks, orderlies, chauffeurs, mess-man, carpenters, painters, etc. Active steps should be taken by all commanding officers and heads of staff of departments to simplify and improve their organizations with a view to increasing the number of men available for the performance of military duties.

(4) In a military organization, quality of production is represented by the physical condition, discipline, morale, and the degree of military training and instruction of the officers and men. It depends upon the physique and character of the men appointed or enlisted and on the manner in which they are handled during their military service. How to bring the quality of the troops to a high degree of perfection is the greatest of the problems confronting us. Its solution demands the most painstaking study, the most careful consideration, and the most persistent and intelligent effort of which we are capable. Its correct solution, however, is vital to military efficiency.

(5) It is expected that all officers will take the initiative in erecting changes within their jurisdiction which will tend to promote economy in administration to increase the number of men available for military duty, and to improve the quality of the troops. The highest degree of military efficiency is our goal, and all of us should make every effort in our power to reach it.