

B.**NAVAL DEFENCE.**

(i.)

The question of Naval Defence was specially discussed at meetings of the Conference held at the Foreign Office on the 3rd, 5th, and 6th of August, the Earl of Crewe, K.G., being in the chair. The memorandum of the First Lord of the Admiralty dated 20th July, which had been circulated to the members of the Conference, formed the basis of the discussion, and, as anticipated in that Memorandum, the subject was approached from a somewhat different point of view by the representatives of each Dominion. It was agreed that further discussion of new arrangements and provision for naval defence should take place between the Admiralty and the representatives of those Dominions (Canada, Australia, and New Zealand) who had come to the Conference with that object in view.

No conference was held with the representatives of the South African Colonies. The position in which they were placed pending the formation of the Government and the election of the Parliament of the Union of South Africa rendered any authoritative expression of opinion by them impracticable. Meanwhile the new Union Government would take over the obligation to continue the existing contributions to the Navy which are paid by the Colonies of the Cape of Good Hope and Natal.

Similarly the representative of Newfoundland indicated that the existing provision made by that Colony would be continued.

Separate meetings accordingly took place at the Admiralty with the representatives of Canada, Australia, and New Zealand, when the following general statements were agreed to in each case, it being recognised that in the time available it was impossible that all details should be thoroughly gone into and settled. Several administrative and financial points remained still to be decided.
