the Dominion Government as regards her movements and general administration, but officers and men would be governed by regulations similar to the King's Regulations, and be under naval discipline. The question of pay and allowances would have to be settled on lines the most suitable to each Dominion Government concerned. The other vessels when built would be treated in the same manner.

- 12. It is recognised that to carry out completely such a scheme as that indicated would ultimately mean a greater charge for naval defence than that which the Dominions have hitherto borne; but, on the other hand, the building of a "Dreadnought" (or its equivalent), which certain Governments have offered to undertake, would form part of the scheme, and therefore, as regards the most expensive item of the shipbuilding programme suggested, no additional cost to those Governments would be involved.
- 13. Pari passu with the creation of the Fleet unit, it would be necessary to consider the development of local resources in everything which relates to the maintenance of a fleet. A careful inquiry should be made into the shipbuilding and repairing establishments with a view to their general adaptation to the needs of the local squadron. Training schools for officers and men would have to be established; arrangements would have to be made for the manufacture, supply, and replenishment of the various naval, ordnance, and victualling stores required by the squadron.
- 14. All these requirements might be met according to the views of the Dominion Governments, in so far as the form and manner of the provision made are concerned. But as regards shipbuilding, armaments, and warlike stores, &c., on the one hand, and training and discipline in peace and war, on the other, there should be one common standard. If the Fleet unit maintained by a Dominion is to be treated as an integral part of the Imperial forces, with a wide range of interchangeability among its component parts with those forces, its general efficiency should be the same, and the facilities for refitting and replenishing His Majesty's ships, whether belonging to a Dominion Fleet or to the Fleet of the United Kingdom, should be the same. Further, as it is a sine quâ non that successful action in time of war depends upon unity of command and direction, the general discipline must be the same throughout the whole Imperial service, and without this it would not be possible to arrange for that mutual co-operation and assistance which would be indispensable in the building up and establishing of a local naval force in close connection with the Royal Navy. has been recognised by the Colonial Governments that in time of war the local naval forces should come under the general directions of the Admiralty.

R. McK.

Admiralty, July 20, 1909.