

liability of Her Majesty's Government on account of deferred pay for officers and men for the periods they serve in such ships to be borne by the colony.

That there is a distinct call for every endeavour that can tend to protect our commerce cannot be questioned. More sea-going tonnage enters one port within these colonies annually than entered the Thames at the time when Her Majesty came to the throne within the same period. There is no colony that does not possess statistics that clearly demonstrate how small a percentage would be called for out of the profits of that trade to afford a reasonable amount of protection; and a first step in this direction would be taken if we provided ourselves with cruiser-catchers, and to the cruisers I should desire to add torpedo-boats capable of going from port to port. They would be especially valuable to cover a long stretch of one coast. The possession of such boats, kept always at the end of a telegraph wire, would effectually prevent an enemy anchoring near our shores.

I recommend the adoption of a dropping arrangement, which could be fitted in a few hours to local small steam-boats, such as we have on board H.M.S. "Nelson" for Whitehead torpedoes. It is inexpensive in construction and maintenance, and enables us to largely supplement more regular torpedo-boats for harbour defence in a ready and effectual way. There should be torpedo-stations on shore, a small pier where the boats could rest in safety, and two air-compressing engines in different positions within the Heads, and two skilled hands at each station.

I have dwelt specially on the defence of our principal ports (I have previously written on the defence of Newcastle and Sydney), because I feel that, if the principal temptations to attack are removed and the largest prizes are shielded, it would not be worth while for an enemy to detach important squadrons for the purpose of destroying less important places; and thus the whole of the colonies and every place would receive benefit, inasmuch as they would not be liable to be devastated by an overwhelming force. Cruisers and unarmoured ships can do little against a comparatively very small defence; and it will be noticed that, while I have recommended the adoption of cruiser-catchers, I have not been unmindful of the long stretches of these shores where the efforts of the enemy would be best defeated by another class of boat. It may not be out of place here to mention, seeing that success engenders success, that, if all united to pay the losses suffered at any spot on our shores owing to the resistance the inhabitants made either to the demands of any enemy or to an actual attack, it could not do otherwise than provoke that unity of action and of feeling that goes so far as to assure success.

I am aware that this report may be held not to go so far as is contemplated in your Excellency's letter to which it is a reply; but I need hardly do more than mention to your Excellency that a navy cannot be created in a day, and that is hardly the time to consider what force would be sufficient to give security against this or that force; that a great deal can be done if all pull together to meet present emergency; and the foundation of a force might well be laid that would grow with the growth of our colonies.

*Proposed Sea-going Colonial Fleet, if all joined, including New Zealand.*—Six cruiser-catchers, and eight torpedo-boats, sea-going, say of 150 tons; the above to be furnished, manned, and maintained by the Admiralty at the cost of the colonies; a portion of this force only to remain in commission during a time of peace.

*Local Defences.*—To be officered and manned by local forces—namely, harbour-defence vessels, and Whitehead torpedo-boats, small class generally speaking; batteries and mines to be entrusted to local corps; that local corps should have a good nucleus of highly-trained men is an essential condition; the Whitehead system to enter largely into the system of defence, and dropping-gear to be provided in readiness to be fitted to local boats to supplement the regular torpedo-boats.

No. 3.—*Correspondence between the Hon. W. B. Dalley, Acting Colonial Secretary of New South Wales, and the Admiral, on proposed agreement as to losses. Circular letter from Mr. Dalley to the colonies, and replies received by him.*

See A.—6, 1885, No. 17.

The PREMIER, Victoria, to the COLONIAL SECRETARY, New South Wales.

(Telegram.)

Melbourne, 6th May, 1885.

I THOROUGHLY agree with the suggestions made by the Admiral which you refer to in your telegram of to-day, and which he mentioned to me in conversation. I have no doubt that this colony would join heartily in joint responsibility in such a matter—indeed the whole matter of defence seems to demand federal action; but Lord Derby himself says, in speaking of a system of coastal defence for the Australian Colonies, that federation presupposes some federal authority.

The COLONIAL SECRETARY, Queensland, to the COLONIAL SECRETARY, New South Wales.

(Telegram.)

Brisbane, 6th May, 1885.

CONFIDENTIAL.—I am disposed to concur in the proposal. I have already arranged, with respect to coal stored at Thursday Island in this colony, for its destruction rather than to allow it to fall into an enemy's hands, and we have guards posted there for the purpose. We have also undertaken to indemnify owners, but I agree that the colonies should unite in undertaking the burden.

The COLONIAL SECRETARY, Queensland, to the COLONIAL SECRETARY, New South Wales.

SIR,—

Colonial Secretary's Office, Brisbane, 18th May, 1885.

I have the honour to acknowledge your letter of the 6th May, forwarding a letter from Admiral Tryon on the subject of proposed common action on the part of the Australasian Governments for the indemnification of persons who, in case of war or invasion, may make a sacrifice of their property for the purpose of preventing aid to an invading force by sea or land.

3—A. 6.