

the necessity of a single navy under one authority, by which alone concerted action can be assured."

My Lords notice with satisfaction that you consider that, when a Confederation has been established in South Africa, the question of training men for service in His Majesty's navy will be brought before the Legislature, and that you believe such a proposal would be favourably entertained. To this my Lords attach much importance, as they fear that, unless the British continental dominions beyond the seas retain a personal touch with the British navy, British subjects living far inland may forget that the origin of the Empire depends on the sea, and that for its continued existence it is essential that in all its parts the maritime spirit should prevail.

A copy of the letter which has been addressed to Sir Gordon Sprigg on this subject is attached for information.

I am, &c.,

H. J. VANSITTART NEALE.

Lieutenant-Colonel the Hon. Sir Albert H. Hime, K.C.M.G.

LETTER from the PRIME MINISTER OF NEWFOUNDLAND to the FIRST LORD OF THE ADMIRALTY.  
SIR,—

Hotel Cecil, London, W.C.

Referring to my conversation with your Lordships, and subsequent interviews and correspondence with Rear-Admiral Custance, I am now in a position to state that the Newfoundland Government will contribute towards the Newfoundland Royal Naval Reserve the sum of £3,000 sterling annually for a period of ten years, provided the said force shall consist of not less than 600 men, the said annual payment to be proportionately reduced for each man less than that number.

The colony will also pay over to His Majesty's Government the sum of £1,800 to defray the cost of "housing in" of H.M.S. "Calypso."

In the matter of the erection of a battery referred to in my letter to Rear-Admiral Custance, of date the 1st instant, it is to be understood that, while His Majesty's Government cannot at the present time agree to erect a battery in St. John's, the matter is to be regarded as depending upon the success of the present movement.

This letter is to supersede all former correspondence and agreements.

I have, &c.,

The Right Hon. Lord Selborne, Admiralty.

R. BOND.

LETTER from the ADMIRALTY to the PRIME MINISTER OF NEWFOUNDLAND.

SIR,—

Admiralty, August, 1902.

I am commanded by my Lords Commissioners of the Admiralty to inform you that they have laid before His Majesty's Government your letter of the 5th instant, addressed to the First Lord of the Admiralty, in which you state that the Newfoundland Government will contribute towards the branch of the Royal Naval Reserve established in that colony the sum of £3,000 sterling annually for a period of ten years, provided the said force shall consist of not less than 600 men, and also that the Newfoundland Government will place in the hands of His Majesty's Government the sum of £1,800 to defray the cost of "housing in," &c., His Majesty's ship "Calypso."

His Majesty's Government accept with pleasure these payments under the conditions specified in your letter, as an indication of the determination of the inhabitants of Newfoundland to share in the charge of maintaining His Majesty's naval forces.

The Admiralty will consider the question of the erection of a drill battery at St. John's if further experience shows that it will add to the efficiency of the Naval Reserve.

I am to add that your suggestion that all former correspondence and agreements shall be considered as superseded is accepted.

I am, &c.,

The Hon. Sir R. Bond, K.C.M.G.

H. J. VANSITTART NEALE.

SIR,—

Admiralty, S.W., 15th August, 1902.

In transmitting the enclosed printed paper, I am commanded by my Lords Commissioners of the Admiralty to state that their Lordships will be glad to receive your formal concurrence in the "Draft Agreement between His Majesty's Government of the United Kingdom, the Commonwealth of Australia, and the Colony of New Zealand" [printed next page], the terms of which, as you are aware, have already been mutually accepted.

I am, &c.,

G. H. HOSTE,

Pro. Sec.

The Right Hon. Sir Edmund Barton, G.C.M.G., Hotel Cecil, Strand, W.C.  
The Right Hon. R. J. Seddon, Hotel Cecil, Strand, W.C.

MY LORD,—

Hotel Cecil, London, W.C., 2nd September, 1902.

I have the honour to acknowledge the receipt of Admiralty letter transmitting printed copy of the draft agreement between His Majesty's Government of the United Kingdom, Commonwealth of Australia, and the Colony of New Zealand, and in reply to inform you that I concur in the draft agreement, and, subject to confirmation by the Government, will in due course submit same for the approval of the New Zealand Parliament.

I have to express regret that, owing to my absence from London during the past fortnight, this matter has been delayed.

I have, &c.,

R. J. SEDDON,

Premier of New Zealand.

The Right Hon. the First Lord of the Admiralty, Whitehall, S.W.