

East.—On the east by the meridian of 95° east longitude between the parallels of 10° north and 26° south latitude.

South.—On the south by the 10th parallel of north latitude between the coast of the Malay Peninsula and the 95th meridian of east longitude, and by the parallel of 26° south latitude between the 95th and 42nd meridians of east longitude.

West.—On the west by the 42nd meridian of east longitude between the parallels of 26° and 10° south latitude, by the 43rd meridian between the parallel of 10° south and the Equator, and by the east coast of Africa between the Equator and the Jebel Sejan.

From this it will be seen that a very considerable improvement has been arranged, subject to the approval of the Parliaments concerned, in the terms of the Australasian Naval Agreement, by which the effectiveness of the squadron to which it relates as part of the naval force of the Empire will be greatly increased, and the amount of the colonial contribution towards the maintenance of the squadron will be raised from £126,000 a year, at which it stands at present, to £240,000. At the same time the Premiers of Cape Colony and Natal have intimated their desire to increase their unconditional contributions to the navy from £30,000 and £12,000 to £50,000 and £35,000 respectively.

Newfoundland also, where a branch of the Royal Naval Reserve was established two years ago, the expense of which was borne entirely on Imperial funds, has now agreed to contribute a sum of £3,000 a year towards the charge on the understanding that the number of the reserve there is raised to and maintained at 600 men, and, further, to contribute a capital sum of £1,800 towards the "housing in" of the training-ship "Calypso" which is to be stationed there. If, as may confidently be expected, these arrangements are accepted by the Parliaments of the colonies concerned, a considerable forward step in the organization of the Empire for the protection and defence of the general interests will have been accomplished. Though the aggregate contributions from the colonies will under the new arrangements be practically doubled, they will still amount to little more than 1 per cent. of the charge for the navy borne by the taxpayers of the United Kingdom; but the increase, and still more the proposals in the Australasian and Newfoundland agreements, which will add a considerable colonial element to the *personnel* of the fleet, are satisfactory as evidence that the self-governing colonies realise that the burden of defence is a common burden, and that they feel that the time has come when the unity of sentiment which now knits the Empire together should receive practical expression by their sharing, as far as their circumstances permit, in the task of providing for the defence of the common interests, of which, as the First Lord of the Admiralty pointed out, their proportion is steadily and continuously growing.

MILITARY DEFENCE.

In regard to the question of military defence, the Conference did not reach any definite decision. The Parliament of New Zealand had, in 1900, passed an Act providing for the establishment in the colony of an Imperial Military Reserve for service in certain cases of emergency outside the limits of the colony, and notice of the following motion had been given by Mr. Seddon:—

"That it is desirable to have an Imperial Reserve Force formed in each of His Majesty's dominions over the seas for service in case of emergency outside the dominion or colony in which such reserve is formed. The limits within which such Reserve Force may be employed outside the colony wherein it is raised to be defined by the Imperial and colonial Governments at the time such reserve is formed, and to be in accordance with any law in force for the time being respecting the same. The cost of maintaining and equipping such Imperial Reserve Force to be defrayed in such proportion and manner as may be agreed upon between the Imperial and colonial Governments."

The question had also been considered by the Colonial Defence Committee, and the report of that body, together with the papers by Major-General French and Major-General Hutton, dealing specially with the organization of the forces of the Commonwealth, were communicated to the members of the Conference. Copies of these papers are appended (Appendix III.; Appendix V. (2); Appendix V. (3)).

The discussion of the question was opened by the Secretary of State for War in the following speech, in which he indicated the views of his military advisers and himself as to the form in which the self-governing colonies might assist in the military defence of the Empire:—

The Secretary of State for War: Mr. Chamberlain and Gentlemen,—On the last occasion when I had the pleasure of attending here, Lord Selborne opened the Conference on the question of Imperial defence from the standpoint of the navy, and we have before us, with regard to the army, a notice of motion formulated by the Government of New Zealand to the effect "That it is desirable to have an Imperial Reserve Force formed in each of His Majesty's dominions over the seas for service in case of emergency outside the dominion or colony in which such reserve is formed. The limits within which such reserve force may be employed outside the colony wherein it is raised, to be defined by the Imperial and colonial Governments at the time such reserve is formed, and to be in accordance with any law in force for the time being respecting the same. The cost of maintaining and equipping such Imperial Reserve Force to be defrayed in such proportion and manner as may be agreed upon between the Imperial and colonial Governments."

Although I heartily concur with the terms of the motion generally, I may perhaps be allowed to say that what I may be able to say to-day is not in any way based on that resolution. The question of our Imperial land forces is one which has not been brought forward either by the momentary impetus of the late war, or by anything but a desire for a settled policy in this respect;