

should be omitted, in which case only 1,408 officers and men would be required. Two "Bristols" would then be placed on the Pacific, and one "Bristol" and four destroyers on the Atlantic coast.

Summaries are attached to this memorandum, giving the estimated details of the expenditure at British rates.

Pending the completion of the new cruisers, which should be commenced as early as possible, an arrangement might be made for the loan by the Admiralty of two cruisers of the "Apollo" class, so that the training of the new naval *personnel* might be proceeded with at once. The vessels would be fitted out and maintained at the expense of Canada, and the officers and men provided by volunteers from the Royal Navy, but paid by the Canadian Government. They would be lent until they could be replaced from time to time by qualified Canadian officers and men. The Admiralty would be willing also to lend certain officers for organizing duties and for the instruction of seamen, stokers, &c.

Arrangements would be made to receive Canadian cadets at Osborne and Dartmouth.

In any consideration of the question of providing new docking facilities the Admiralty suggested that the docks should be designed of sufficient size to accommodate the largest ships whether for war or commerce, as apart from the mercantile advantage such docks might be used in case of an emergency by armoured cruisers and battleships. Docks of this kind might be placed on the Pacific, the Atlantic, and the River St. Lawrence.

The question of the Flag also was discussed, and it was arranged that the Admiralty would give the matter consideration and would communicate its views at a later date to the Canadian Government.

Any necessary Acts of Parliament which would have to be passed should be considered so as to place the discipline and general regulations of the naval forces as much on Admiralty lines as possible, having due consideration to local requirements. This legislation should also provide for the formation of a naval reserve and naval volunteer force.

In order to encourage a good class of men to make the naval service their profession for life, it has been found advisable in Great Britain to provide for pensions.

Other details, such as the training of officers and men, organization, discipline, &c., were discussed, and a general agreement was arrived at that the wishes of the Canadian Government would be met as far as possible.

19th August, 1909.

PLAN I.

SUMMARY OF EXPENDITURE AT BRITISH RATES ON PLAN OF £600,000.

Class.	Building and Arming.	Maintenance (Annual Upkeep of Hulls, Machinery, Sea Stores, Fuel, &c.).	Interest and Depreciation (3 per Cent.).	Personnel.	Total (a), (b), (c).
		(a)	(b)	(c)	
	£	£	£	£	£
Bristol ..	377,000	19,900	25,300	26,800	72,000
Boadicea ..	350,000	16,500	23,500	19,900	59,900
Destroyer ..	80,000	10,700	6,700	5,500	22,900
4 Bristols ..	1,508,000	79,600	101,200	107,200	288,000
1 Boadicea ..	350,000	16,500	23,500	19,900	59,900
6 Destroyers ..	480,000	64,200	40,200	33,000	137,400
—	2,338,000	160,300	164,900	160,100	485,300