

I may say generally that we are content to abide by the existing agreement. The declarations which have been made on one of the earlier days of the Conference by some of the Colonial Premiers have convinced me as to the difficulties which would beset other methods of Colonial contribution, and so, I repeat, we are content to abide by the existing agreement. We would be perfectly prepared to hear any argument against it, or for modifying it; but as matters now stand, and in view of what I have learnt of what has passed in this room, we should certainly not propose to give notice for the termination of that agreement, and we should leave it as it is, and administer it as it has been administered hitherto.

The question may be looked at from three points of view—from the political point of view, from the strategical point of view, and from the purely Admiralty and Naval point of view. From the purely Admiralty and Naval point of view we can work the agreement, and we should wish to work it on the same lines as those on which we work it at present. From the political point of view, I can of course only speak as an individual member of the Government; but as First Lord of the Admiralty and a Member of the Government, I value the principle which is involved in the contribution of the Colonies to the Navy which was settled some years ago; and I think it would be a great pity and a retrograde step if such ties as have been established were to be cut. Sir Gordon Sprigg has sent us a very gracious proposal from the Cape, which shows the development of that system. We should be very glad to open up negotiations with Canada, if not precisely on the same lines, because its situation is somewhat different, yet on other lines.

I come back to the point that we value generally the contributions to the Navy, not only for their amount, because, I frankly admit that, with our present vast estimates, a contribution of £126,000 is not an item to which we should attach, at the Admiralty, any great importance. Of course I cannot speak for the Chancellor of the Exchequer. Well, that being so, from the political point of view, I myself am in favour of the maintenance of the agreement. I have said that from the Naval point of view I am also in favour of the maintenance of the agreement. Though I do not mean to say that it assists us to any great extent, it does produce between the Admiralty and the Colonies certain ties which we value, and which I should be very sorry to do anything to loosen.

From the strategical point of view, we should be glad that the Admiralty should have a free hand. I was glad to see that it has been acknowledged by the Premiers that the operations of the Australian squadron in the Solomon Islands, and generally in the Pacific groups, have a distinct Colonial as well as an Imperial interest, and that no complaint could be raised against the employment of ships on the Australasian station for purposes so distinctly Colonial as many of these purposes are, though such employment might carry the ships to a considerable distance from the Continent of Australia. But, apart from this, the object for which we want a free hand is to be able to conduct the defence of Australia on the same principles as those which we should follow in the defence of our English, Scotch and Irish ports, principles which exclude our undertaking to detach ships to particular ports. For instance, we could not undertake to post one ship at Sydney, another at Adelaide, and another at Melbourne. We must rely upon the localities themselves for the defence of these ports, while, on our part, we undertake that no organised expedition should be directed against any part of Australia. No organised expedition could be sent either from Japan, or from the United States, or from France without the full knowledge of the Admiralty. That I assume. We are too ubiquitous for any such expedition to be secretly organised. If it were organised, our whole strength would be directed to defeating such a movement. I see it has been suggested in a previous discussion that possibly we might, under