

the sequel to some plan of devolution in relation to local affairs. Meanwhile we are moving in the right direction. We have an Imperial conference at frequent intervals. Less formal consultations are always taking place. The Agents-General are more and more consulted by Premiers and Secretaries of State. They defer to colonial advice on colonial questions. It devolves especially on the Secretary of State for the Colonies to keep in touch with the representatives of the allied states beyond the seas. He conveys their views to the Cabinet. No Minister has been more in touch with these States than Lord Crewe. When he entered upon his present office he made it his duty to confer fully and personally with all the representatives of the Colonies. I have reason to know that these interviews produced a most favourable impression. We seem already to have created a Standing Council of the Empire.

"Turning to the Navy, I am on ground on which no difference of opinion can arise. As a former Secretary of the Admiralty and founder and first editor of the *Naval Annual*, I am happy to be able to give the assurance that as we stand to-day we are fully up to the two-power standard.

"The comparative tables in this *Naval Annual* for 1910, shew the relative strength in the several classes.

"In the number of ships building, and in appropriation to construction, we are below the two-power standard. We are pushing forward.