

unwilling to supply whatever may be needed for this purpose. It will be observed also that, in the event of such an arrangement being carried out, they are prepared to propose to Parliament, "should Her Majesty's Government think it more desirable, that, instead of this colony acquiring one or two ships of the 'Esmeralda' type, the sum which New Zealand was to have contributed thereto should be devoted to the increase in the number of Her Majesty's ships stationed in these seas."

4. My Ministers feel the more strongly that this is the most desirable arrangement when they consider how important a part of the duties of the Australasian fleet are those connected with the Pacific Islands, and that Auckland would be the most convenient port for vessels engaged on that service.

I have, &c.,

Rear-Admiral Tryon, C.B.

WM. F. DRUMMOND JERVOIS.