

throughout was the same. We recognised, all of us, that the best interests of New Zealand were bound up with the maintenance of British supremacy on the seas. That supremacy appeared to be directly challenged. In our own interests, as well as those of the Empire at large, we felt that at that particular juncture the offer we made was not only opportune in itself, but was the most effective way of strengthening the Empire.

At the Conference the oversea representatives were of one mind in their willingness to take some share in Imperial defence, though they differed as to the form it should take. Local sentiment and local conditions no doubt weighed with them. Some preferred local navies; others, amongst them myself, thought the more excellent way was to contribute a quota to the British navy itself. The course I followed will be best seen by the following correspondence, which summarises the position:—

DEAR MR. McKENNA,—

Hotel Cecil, London, 11th August, 1909.

At to-day's meeting you explained that the general idea underlying the Admiralty memorandum was that the present East Indies, China, and Australian Squadrons should be treated strategically as one Far Eastern—or, as you thought, as a preferable term, "Pacific"—Station, and that each of the principal portions of this station should have a complete fleet unit, the Commonwealth Government maintaining one unit in Australian waters in lieu of the present Australian Squadron and the Imperial Government providing the remainder, the "Dreadnought" cruiser presented by New Zealand forming the flagship of the China unit. If Canada found herself able also to come into this agreement, her contribution to the Pacific Station would be a fourth unit.

I think it will conduce to clearness if I state my views in writing, hence this memorandum.

I expressed myself as generally satisfied with this arrangement as a strategic plan; but I would point out that if, as I understand, Australia is providing an independent unit, it means the superseding of the present British Australian Squadron, and the fact of that being done would, on its completion, determine the Naval agreement with Australia and New Zealand, thus creating an entirely new position.

I favour one great Imperial Navy, with all the oversea dominions contributing either in ships or money, and with naval stations at the self-governing dominions supplied with ships by and under the control of the Admiralty. I, however, realise the difficulties, and recognise that Australia and Canada in this important matter are doing that which their respective Governments consider to be best; but the fact remains that the alteration that will be brought about upon the establishment of an Australian unit will alter the present position with New Zealand.

New Zealand's maritime interests in her own waters and her dependent Islands in the Pacific would under the altered arrangements be almost entirely represented by the Australian fleet unit, and not as at present by the Imperial fleet. This important fact, I consider, necessitates some suitable provision being made for New Zealand, which country has the most friendly feeling in every respect for Australia and its people. I am anxious that in the initiation of new arrangements with the Imperial Government under the altered conditions the interests of New Zealand should not be overlooked. I consider it my duty to point this out, and to have the direct connection between New Zealand and the Royal Navy maintained in some concrete form.

New Zealand will supply a "Dreadnought" for the British navy, as already offered; the ship to be under the control of and stationed wherever the Admiralty considers advisable.

I fully realise that the creation of Pacific units—one in the East, one in Australia, and, if possible, one in Canada—would be a great improvement upon the existing condition of affairs, and the fact that the New Zealand "Dreadnought" was to be the flag-ship of the China-Pacific unit is, in my opinion, satisfactory. I, however, consider it is desirable that a portion of the China-Pacific unit should remain in New Zealand waters; and I would suggest that two of the new "Bristol" cruisers, together with three destroyers and two submarines, should be detached from the China Station in time of peace and stationed in New Zealand waters; that these vessels should come under the flag of the Admiral of the China unit; that the flagship should make periodical visits to New Zealand waters; and that there should be an interchange in the service of the cruisers between New Zealand and China, under conditions to be laid down.

The ships should be manned, as far as possible, by New Zealand officers and men, and, in order that New-Zealanders might be attracted to serve in the fleet, local rates should be paid to those New-Zealanders who enter, in the same manner as under the present Australian and New Zealand agreement, such local rates being treated as deferred pay.

The determination of the agreement with Australia has of necessity brought up the position of New Zealand under that joint agreement. I therefore suggest that, on completion of the China unit, the present arrangement with New Zealand should cease; that its contribution of £100,000 per annum should continue and be used to pay the difference in the rates of pay to New-Zealanders above what would be paid under the ordinary British rate. If the contribution for the advanced rate of pay did not amount to £100,000 per annum, any balance to be at the disposal of the Admiralty.

The whole of this fleet unit to be taken in hand and completed before the end of 1912, and I should be glad if the squadron as a whole would then visit New Zealand on the way to China, leaving the New Zealand detachment there under its senior officer.

I remain, yours sincerely,

(Sd.) J. G. WARD.