

*shouldered if the result of the effort made is apparent to those making it—in other words, if the ships provided are seen by the people who pay for them, and are manned as far as possible by their own kith and kin.*

With the adoption of such a policy there is still no reason why the vessels should not be part and parcel of the Royal Navy, the ships of the same type, the personnel actuated by the same motives, trained on the same lines, imbued with the same traditions, governed by a practically common discipline, and aiming at the same high standard of efficiency. The proposals which I lay before the Government of New Zealand are drawn up with this object in view.

15. The general principle on which the proposals are based is that New Zealand should co-operate in the naval defence of the Empire, and assist the Mother Country financially by paying for the manning and maintenance of a certain proportion of the Far Eastern Fleet and of all the vessels required for harbour defence in New Zealand, as well as by providing such portions of the personnel of the ships as is practicable.

If the proposals are accepted the ships thus maintained by New Zealand will be in all essentials a portion of the Royal Navy. They will fly the White Ensign (with perhaps the New Zealand Flag flown as a Jack in harbour); officers and men will wear the uniform of the Royal Navy, and will be subject to the Naval Discipline Act. Officers will be entered and trained under the same regulations as are in force in the Royal Navy. Officers' names will be placed on the ordinary list of the Royal Navy, and they will be promoted from this list in the same manner as British officers. They will be liable for service in any ship of the Royal Navy, but will serve a major proportion of their earlier career in the ships maintained by New Zealand. It may not, of course, be possible to continue this procedure in the higher ranks if the proportion of New Zealand officers promoted to such ranks exceeds the number of appointments open to officers of the ranks in question. The advancement of the petty officers and men will take place in the ships maintained by New Zealand, or in other ships in which they are serving, as vacancies occur. These petty officers and men will be liable for service in all ships of the Far Eastern Fleet as well as in the ships maintained by New Zealand, service in other vessels being counted as foreign service.

It is suggested that the vessels which are maintained by the people of New Zealand should be termed the "New Zealand Division of the Royal Navy." It is not recommended that any steps should be taken in the direction of making any arrangements for building war vessels in New Zealand, or that any naval dockyard should for the present be contemplated. Repairs and refits should be carried out either in private yards in New Zealand or in the Australian Government establishments. It has been ascertained that repairs are not beyond the capacity of commercial yards in New Zealand, although they would be carried out under some disadvantages.

It is proposed that the administration of the Division should be carried out by a Board consisting of the Minister of Defence and a naval officer holding the rank of Commodore. The provisions in the Naval Defence Act of 1913 for the Division being placed under the control of the Admiralty during war or when hostilities are imminent should continue.