- "from a general realization that true discipline demands as much from officers as from men, and that without mutual trust, understanding, and
- "confidence on the part of all ranks the highest form of discipline is "impossible."
- 32. There are certain directions in which improvement is necessary in the daily lives of the personnel of the Navy. Matters of this nature are constantly under consideration by the Admiralty; and possible reforms, when carried out, will remove some of the just causes of complaint of the lower ranks of the Navy at the present time; but it is inevitable that life at sea can never compare in comfort with life on shore; and if the manhood of a nation is not prepared to put up with the inherent discomforts of sea life, and to submit to discipline, that nation cannot hope to become a Sea Power.
- 33. The subject of aircraft to work in conjunction with the Naval Forces is treated in Chapter II of Volume II.

The questions of Intelligence and communications are dealt with in Volume II, Chapter VIII. The war has shown the exceeding value of a first-rate Naval Intelligence organization.

It is understood that the Admiralty are sending out a Marine Officer with special experience of Intelligence work, and it is recommended that every possible encouragement should be given to the development of a good organization which should work in close collaboration with the Intelligence Division of the War Staff of the Royal Australian Navy, and with the Commander-in-Chief, China Station.

The proposals made in Volume II, Chapter IX, on the subject of wireless organization and wireless communication, are far-reaching and of considerable importance. They are the outcome of experience gained during the war, in which wireless work in the Navy played such an important part. Rapid developments are in progress in this branch, and these need constant watching.

- 34. It is very desirable that New Zealand should become independent of outside assistance in the work of mine-sweeping. The simplest and by far the cheapest method of obtaining in war the services of efficient mine-sweeping vessels is by the encouragement of a Trawler Fishery Service during peace. This matter is dealt with in Volume III, Chapter III, and is of such importance, on economic grounds, that I beg to draw special attention to it.
- 35. An important question (which is dealt with in Volume II, Chapter III), and which demands early attention, is that of the future fuel-supply of the Royal Navy in Far Eastern waters.

The larger ships of the Royal Australian Navy are at present all fitted to burn coal, with oil used as an auxiliary, and it is only necessary to point to the fact that for many weeks coal-burning ships in the Pacific have been unable to obtain suitable coal to emphasize the dangerous position that would have existed had it been necessary to move ships for active service during this interval. The danger of the situation has been pointed out to the Government of the Commonwealth, but, as war vessels in the Pacific are entirely dependent on coal from Westport, it is obvious that the matter is one in which the help of New Zealand is necessary, and it is suggested that the whole matter should be dealt with between the Governments of New Zealand and Australia.