

A considerable reserve of coal is a vital necessity for a Far Eastern Fleet, which will comprise coal-burning vessels for, at any rate, the next fifteen years.

Attention is directed to the Imperial importance of the Westport Coal Company's mines at Westport and Granity.

At present the only coal in New Zealand and Australia suitable for the Far Eastern Fleet is that provided by mixing the output of these two mines.

It is important that adequate defensive measures should be made to ensure that this source of fuel is kept open for the use of the Far Eastern Fleet in war-time.

Whilst the coal question is in a highly dangerous state, the supply of oil fuel to ships on the large scale that would be necessary in the event of active service is equally unsatisfactory. Here, again, a reserve supply is essential; particularly as the whole of the oil fuel has to be imported.

These important matters are dealt with in Chapters III and VII of Volume II.

36. Finally, I wish to tender my very grateful thanks to Your Excellency, to the Prime Minister and the Minister of Defence, the New Zealand Government, and the Naval Adviser, for the assistance which has at all times been so freely afforded to my staff and myself during our visit. The ready help we have received on all sides has much furthered the work of the Mission.

I am also much indebted to the Engineer-in-Chief of Public Works, the Inspecting Engineer for Mines, the Marine Department, and to the various local authorities and Harbour Boards for the assistance rendered on all occasions, and I shall be obliged if my deep appreciation of the great courtesy we have received throughout the Dominion may be conveyed to all.

I have the honour to be,
My Lord,
Your Excellency's most Obedient Servant,
JELLICOE,
Admiral of the Fleet.

His Excellency,

Right Hon. the Earl of Liverpool, P.C., G.C.M.G., G.B.E., M.V.O.,
Governor-General and Commander-in-Chief, Dominion of New Zealand.

P.S.—Since the report was completed I received a telegram from the Lords Commissioners of the Admiralty informing me that, as steps are being taken to reduce the fleet to a post-war standard, certain vessels are now available for the Dominions, if required.

I have inquired of Their Lordships as to the types of each class of vessel that can be supplied, the terms on which supply will be made, and the dates by which it would be necessary for the Dominions to take possession.

On receipt of the reply I will submit a further report to Your Excellency.

It may be that the desirability of acquiring vessels now and the consequent necessity for incurring early expense for maintenance will render a modification of the proposals in Table VI, Chapter I, of Volume I, necessary.