



624.

- 1) Queensland. Correspondence respecting the power of the two houses of the legislature of Queensland in respect of Money bills. V81,3:3(X7).M9 B6
- 2) Great Britain. Select Committee on the Western Australia Constitution Bill V85:2.M9 C0
- 3) Victoria. Further correspondence respecting the late differences between the two houses of the legislature of Victoria. V83,3.M8 A878
- 4) Copy of papers and extracts relating to the appointment of Members to the upper house of representatives in New Zealand and colonies. V937,31.M9 C3
- 5) Correspondence ^{respecting} relating to the constitutional relations of the Australian Commonwealth and states in respect of External affairs. V8:2.CK19.N B3
- 6) Correspondence relating to the naval defence of Australia and New Zealand. V8:1941(MV45).N1

QUEENSLAND.

*Constitutional
Australasia*

CORRESPONDENCE

RESPECTING THE

**POWERS OF THE TWO HOUSES OF THE
LEGISLATURE OF QUEENSLAND**

IN RESPECT TO

MONEY BILLS.

Presented to both Houses of Parliament by Command of Her Majesty.
June 1886.



LONDON:

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1886.

[C.—4794.] Price 4½d.

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of the Federal Government itself, and from the powers, exercisable at will, which the Federal Parliament was to be entrusted.

The scope of the Executive authority of the Commonwealth is, therefore, to be traced from the Constitution as a whole. It is administrative, as well as in the strict sense executive; that is to say, it must obviously include the power not only to execute laws, but also to effectively administer the whole Government of which Parliament is the legislative department.

There is, however, another and fundamental consideration upon which it is very necessary in this connection to touch briefly, but the importance of which can hardly be over-estimated.

The executive authority of the Commonwealth, unlike its legislative authority, derived in the first instance directly and immediately from its fountain head, the Crown. Executive power exists antecedently to, and independently of, legislation; and its scope must be at least equal to that of the legislative power—exercised or exercised. For the exercise of many executive powers no legislation is needed; and this is especially the case in the administration of external affairs. In the very matter under discussion—the maintenance of Treaty obligations—there has been no legislation by the States, and none is required. But the Commonwealth, by virtue of the legislative power vested in it, is now responsible for the performance of these obligations, and must have the executive power necessary to fulfil all its obligations.

In connection with this part of the argument, it should be observed that while Mr. Gordon concentrates his attention exclusively on executive powers created by statute, Section 61 points also to executive powers which belong to prerogative. The executive power of the Commonwealth is vested in the Queen and is exercisable by the Governor-General as the Queen's representative." These words are wisely declaratory, not enacting; they express the broad constitutional principle at the whole body of the prerogative, so far as it is capable of exercise in relation to the affairs of the Commonwealth, is exercisable by the Governor-General—and, of course, exercisable, in accordance with the principles of responsible government, and with the advice of Commonwealth Ministers.

Deprived of prerogative powers, the Commonwealth Executive would be a mere appendage to the Parliament—a board of subordinate officers exercising such powers might be conferred upon it, but without independent authority of any kind. Such a conception of the executive is wholly at variance, not only with every principle of English constitutional law, but with the clear and unmistakable provisions of the Constitution. Responsible government, though far more clearly established there than in any of the State Constitutions, would then be much more restricted in authority, character, and domain than it is in the States under their less explicit charters. The King's Ministers of State for the Commonwealth—so described for the first time in a great constitutional document—would, individually and collectively, be less His Majesty's Ministers than are the members of the State Executives; the vast number of powers held by the Crown in trust for the people would disappear; and the Commonwealth, instead of inheriting the fullest development of constitutional rights and privileges, would find its new political organisation had dwindled from a national to a municipal body, for making and executing continental by-laws.

It is impossible to resist the conclusion that the Commonwealth has executive power, independently of Commonwealth legislation, with respect to every matter in which its legislative power extends. It is not contended that the Commonwealth Government has power to administer State Acts which remain in force relating to matters within the concurrent power of the State Parliaments; nor that there are any executive acts requiring prior authority. What is clear is that in all matters within the scope of the legislative power of the Commonwealth its executive possesses all the powers of the Crown properly exercisable within the Commonwealth. Although instances may be found in which there are, for the present, what may be treated as concurrent executive powers in the Commonwealth and the States, these are exceptions mainly of a temporary character. As a general rule, wherever the executive power of the Commonwealth extends, that of the States is correspondingly reduced.

That the view here taken accords with the intention of the framers of the

Serial No.	From or to whom.	Dominion.	Date.	Subject.	Page.
			1908.		
28	To the Governor ...	New Zealand.	May 29	Informs him that the Admiralty regret there is no suitable vessel at present available for use as a training ship, but they will be glad to render all possible assistance in case the Government should desire to buy a vessel from the mercantile marine.	45
29	Ditto ...	New Zealand, Telegram.	May 29	Conveys satisfaction of His Majesty's Government at the decision to increase the contribution to naval defence and to leave the disposition of the fleet to the Admiralty.	45
30	To the Governor-General.	Australia	May 29	Transmits copy of No. 27 ...	45
31	To the Governor-General.	Australia	May 29	Transmits copies of Nos. 20, 23, and 29.	46
32	To the Governor ...	New Zealand.	May 29	Transmits copies of Nos. 19, 22, 27, and 30.	46
33	Ditto ...	New Zealand.	May 29	Transmits copy of No. 26 and adds that a copy of the correspondence is being sent to the Governor-General of Australia for the information of Ministers.	46
34	To the Governor-General.	Australia, Telegram.	June 5	Informs him, in reply to No. 19, that Admiralty are drafting a scheme based on the views of his Government, but some time must elapse before it can be ready.	46
35	Admiralty ...	—	August 20	Conveys views of the Admiralty on the scheme for a local naval force as proposed by the Prime Minister of the Commonwealth and promises the co-operation of the Admiralty in carrying out the scheme, subject to a further expression of opinion from the Commonwealth Government.	47
36	To the Governor-General.	Australia	August 21	Transmits copy of No. 35, for the information of Ministers.	55
37	Ditto ...	Australia, Telegram.	August 24	Notifies despatch of No. 36, and gives estimate of the cost of the Naval Defence Scheme.	56
38	To the Governor ...	New Zealand.	September 25	Transmits copy of No. 36 ...	56
39	The Governor ...	New Zealand, Telegram.	(Rec. Oct. 2)	Reports that the Naval Subsidy Bill has passed both Houses.	56
40	To the Governor ...	New Zealand.	October 2	Expresses pleasure of His Majesty's Government at the passing of the Naval Subsidy Bill.	56

relating to external affairs, as well as into any other matter relating to any subject concerning which power is vested in the Parliament or the Government of the Commonwealth. This in itself sufficiently disposes of the whole case.

It may seem unnecessary to extend these comments; but as the precedents established at this stage in regard to the relations between the States and the Federal Parliament and Government are likely to become of moment in the future, a few formal observations may not be out of place.

The power of the Commonwealth with relation to external affairs may not be wholly exclusive, but it is certainly paramount. The question of the "channel of communication" in some aspects is not one of law, but of administrative propriety. Had Mr. Chamberlain thought fit to communicate directly with the State, the Commonwealth Government could have remonstrated, but could not have prevented the correspondence. He communicated, and properly, with the paramount power.

Mr. Gordon has taken unnecessary alarm in supposing that the power and dignity of the States is threatened by the action taken in this case. There is no question of the validity of any State law, or the exercise of any State power. There is no assertion by the Commonwealth of any control over State officers, as such, or of any right to interfere in the administration of State laws. There is simply the question of the proper channel for forwarding information to the Colonial Office, in relation to a matter which (1) is within the legislative power of the Commonwealth Parliament; (2) comes within the scope of a Commonwealth Department; and (3) may be made the subject of inquiry by a Commission exercising powers conferred by Commonwealth legislation.

Speaking of the scope of the legislative power as to external affairs, Mr. Gordon says:—

"It may or may not mean that the Commonwealth has power to make laws to enforce Imperial treaties, and to punish State officers who violate such treaties; but no such law has yet been made. . . . It would be absurd to make the Commonwealth Government the 'channel of communication' in matters in which they are powerless to act."

It is not claimed that in the absence of legislation there is any power to punish State officers for violating treaties; and the assertion of such a power is not necessary to the Commonwealth claim as to the "channel of communication." The Commonwealth "Government"—in which are included the executive, legislative and judicial departments—has undoubted power to provide for the observance of treaty obligations; and in order to carry this power into effect the Commonwealth Executive has an undoubted right to information as to the action of State Governments and officers with regard to those obligations. The extent to which under existing legislation that right can be enforced is immaterial to the present question.

It may be pointed out in passing, that Mr. Gordon's argument assumes a complete divorce between the executive and legislative Departments of the Commonwealth Government. Though those departments are distinct, it is impossible to ignore the relations between them—relations upon which the whole system of responsible government depends. It would be impossible for the legislature to perform its duties if the executive were debarred from obtaining in the most direct manner the information necessary for the purpose.

Mr. Gordon also seems to argue that because the words "and treaties," which followed "external affairs" in the draft constitution of 1891, are omitted, there is a consequent lack of Commonwealth power of legislation in respect of them. The omission, as appears from the debates, was solely to prevent any assumption arising that the Commonwealth claimed an independent power of *making* treaties. Legislation with respect to the enforcement of treaty obligations is clearly within the scope of "external affairs." Mr. Jenkins, in correspondence on this subject, seems to raise a similar contention when he urges that "external affairs" means affairs external to the *Commonwealth*, not external to the *Empire*. With that statement I fully agree; but from the deduction that the observance within a State of Imperial treaties with foreign Governments is not an affair external to the Commonwealth, I altogether dissent.

included a method of sharing in the duty of naval defences by means of a contribution of Australian seamen instead of money, which is allied to the provision for the selection and partial training of the crews engaged in the proposed steamer service as members of the Royal Naval Reserve formerly submitted.

4. As the replies received to the despatch of 1905, which appear also on the paper enclosed, expressed disapproval of the special suggestion then put forward, the Government now invite reference to that part of the despatch of the 23rd May in which the Lords of the Admiralty intimate that other aspects of the matter might be viewed with favour. A specially suitable opportunity for discussing these was presented in connection with the London Conference, when the whole question was generally reviewed as far as practicable, considering the limited time at our disposal. Lord Tweedmouth, speaking on behalf of the British Government, was most generous, and Ministers have confidence that the proposals now put forward by the Commonwealth in consonance with his suggestion will be adopted upon the advice of the Admiralty.

5. It was my intention, on returning, to take immediate steps to give effect to the general understanding arrived at in London had not personal disabilities prevented me from giving it until recently the close attention which its details demand. After several conversations on the subject between the Minister for Defence, on behalf of the Government, and His Excellency the Admiral, whose freely given assistance has been most highly valued, His Excellency was asked to telegraph to the Admiralty the proposals of this Government with reference to the Naval Agreement of 1903. The telegram which I sent to Admiral Fawkes was as follows:—

In pursuance of my conversation Tweedmouth and the Admiralty in London, and Ewing's conversation with Your Excellency, please telegraph to Admiralty enquiring whether following proposals approved for amendments in Naval Agreement substituting for present Commonwealth subsidy offer one thousand seamen, Australians if possible, to be paid by Commonwealth for service in Navy on this station estimated cost of about £100,000 to Commonwealth per annum remainder of present subsidy to be applied by Commonwealth to submersibles or destroyers or similar local defences as suggested London Conference. Two cruisers P or superior manned by 400 of the 1,000 Australians to be retained Australian coast peace or war. Loan of two P cruisers or superior to be maintained by Commonwealth for training local naval militia at estimated cost to Commonwealth of £60,000 per annum. This proposed amendment is in addition to Commonwealth vote this year £250,000 for naval harbour and coast defence, and £50,000 for fortification harbours."

6. To a subsequent enquiry by the Admiral as to whether any Australian Naval Reserve that might be kept up would be included in the Naval Militia, a reply was sent that it had been agreed in London that this Government would take over the Naval Reserve in Australia.

7. The Parliament of the Commonwealth is now sitting, and members anticipate that before they rise the proposals of the Government in regard to naval defence, or at least a complete outline of them, will be submitted for their consideration. The matter is, therefore, urgent, and it was hoped that some general indication of approval by the Admiralty of the principles of the proposal forwarded, perhaps coupled with criticism of some portion of it, might have been given by cable. The suggestions were made in the same spirit as that which inspired the despatch of August, 1905, and were intended as a groundwork which might become the basis of a formal proposal to be conveyed by despatch.

8. I am writing this now expecting that it will reach England in time to be considered in connection with the cable message from the Admiral, and for the purpose of supporting the proposals therein made. These have been evolved, and are now put forward, in the belief that they will form a means of promoting and enlarging that national co-operation and fostering that stronger sense of mutual support alluded to in my former despatch.

9. That communication concluded with a statement that the very life of the Empire depends on the navy, and pointed out the necessity for taking every step possible to increase our maritime strength to enable us to meet all emergencies that international difficulties may create. That opinion becomes more deeply rooted in view of the consistent efforts of rival foreign Powers to increase their influence. It is

No. 16.

LIEUTENANT-GOVERNOR SIR S. J. WAY (SOUTH AUSTRALIA) to MR. CHAMBERLAIN.

(Received March 23, 1903.)

SIR, State Government House, Adelaide, February 14, 1903.
I HAVE the honour to forward you herewith a Memorandum which I have received from my Ministers in reply to your despatch of the 25th November, 1902,* is to the channel of communication in regard to complaints made by Foreign Governments as to the conduct of State officials. The matter is of so much importance, having regard to the sensitiveness of the State Governments as to any interference with their proper functions by the Commonwealth, that I propose to address a despatch to you myself upon the subject, but I send Ministers' Memorandum on at once, in order that you may be placed in possession of their views as early as possible.

I have, &c.,
S. J. WAY,
Lieutenant-Governor.

Enclosure in No. 16.

MEMORANDUM TO HIS EXCELLENCY THE LIEUTENANT-GOVERNOR.

Premier's Office, Adelaide, February 13, 1903.

1. Ministers have the honour to acknowledge the receipt from His Excellency of the letter of the Right Honourable the Secretary of State for the Colonies, dated 25th November, 1902, in reply to the memorandum of Ministers of the 25th September, 1902, in which, at the request of the Right Honourable the Secretary of State for the Colonies, they stated their views as to the proper channel of communication in regard to matters arising in Australia affecting "external affairs," and the position of Consuls.

2. Ministers desire to intimate with great respect that they are unable to agree with the following propositions contained, as they gather from its terms, in the letter of the Right Honourable the Secretary of State for the Colonies:—

- A. That there is nothing in the Constitution which limits the responsibility and power of the Commonwealth to matters connected with the Departments actually transferred, or matters upon which the Commonwealth Parliament has power to make laws and has made laws.
- B. That the question of the observance of Imperial Treaties by the officials of a State is a matter of Federal concern, as being an "external affair," and that the question which arose in regard to the "Vondel" was a Federal matter.

3. As to these differences of opinion concerning issues, which the Right Honourable the Secretary of State for the Colonies admits to be important, Ministers feel that no apology is needed either for disagreement with his views, or for a plain statement of the reasons for such disagreement. The desire of His Majesty's Imperial Government and of this Government is the same, namely, that the Constitution of the Commonwealth shall be maintained in its integrity; and a clear statement of the differing opinions of those who are for the time being in their respective spheres entrusted with the duty of so maintaining it, is the best way of elucidating and finally ascertaining the true principles by which they should be guided.

4. As to proposition "A," Ministers, with great respect, take exactly the contrary view of the Constitution. They maintain that the power and responsibility of the Commonwealth is limited to matters connected with Departments actually transferred, and upon which the Commonwealth Parliament has power to make laws and has made laws. The pervading misconception of the argument of the Right Honourable the Secretary of State for the Colonies is, as Ministers humbly believe, caused by a contemplation of the general words of Section 3 of the Act, without

* No. 13.

Exchequer and in lieu be appropriated partly to the maintenance of a force of 1,000 seamen, Australians if possible, for service in Australian waters, and partly to the construction, equipment, and maintenance of "submersibles or destroyers or similar local defences" as suggested at the London Conference; while the Imperial Government should maintain in Australian waters, in peace or war, two cruisers of a certain standard to be manned by 400 out of the 1,000 seamen mentioned above, and should also lend two cruisers of a certain standard for training purposes, these cruisers to be maintained at the cost of the Commonwealth.

3. The first part of these suggestions is in accordance with the general understanding arrived at with Mr. Deakin at the Colonial Conference. It was understood that it would be more congenial to Australian feeling that the Australian contributions should be appropriated to furthering local naval defence than be applied as under the existing agreement, and 1,000 men were mentioned as roughly the number of men connected with that local force for whom Australia would have to provide if the agreement were terminated. But no proposal was made for the permanent retention of cruisers in Australian waters at the cost (with the exception of the crew) of the Imperial Government, nor was anything definite put forward as to the loan of two other cruisers.

4. At the Conference the position taken up by the Admiralty was that while they did not themselves propose to cancel the agreement with Australia and New Zealand, yet if the Colonial Governments desired that it should be terminated, they would be prepared to co-operate with them in carrying out that policy; it was admitted that, so long as the agreement was not cancelled, the Admiralty were precluded from making such a disposition of His Majesty's ships in the Far East as strategical considerations alone would dictate, and, therefore, the first condition of any new arrangement must be the cancellation of the agreement. It was considered that Mr. Deakin clearly understood that under the arrangement proposed to be substituted for the existing Naval Agreement the Admiralty would not be bound to maintain particular ships permanently in Australian waters, although he expressed the hope that the visits of squadrons to Australia would not cease, but that from time to time the people of Australia would have the opportunity of seeing in their ports the ships of the powerful united fleet composed of the three squadrons of Australia, India, and China.

5. My Lords, therefore, while anxious to meet the wishes of Mr. Deakin and his colleagues as much as possible, are not prepared to depart from the position taken up at the Conference. If the Commonwealth Government decides that it is desirable to cancel the existing agreement and substitute another arrangement, their Lordships are ready, to the best of their ability, to advise and assist in carrying out, either the scheme sketched by Mr. Deakin while he was in England, or an approved modified scheme for local defence which may appear to be preferable, provided that such a scheme does not involve a definite pledge to maintain particular vessels permanently in Australian waters.

6. If such a pledge is an integral condition of the new scheme now proposed by Mr. Deakin, it will become necessary to reconsider the question as a whole. Further, the other details of the scheme are not put forward with that completeness that would be requisite if they are to be regarded as the basis of a new arrangement with the Commonwealth Government; accordingly my Lords cannot express a decided opinion upon the scheme, nor are they able to formulate the terms of any definite agreement, as suggested in the last paragraph of Mr. Deakin's letter enclosed in the Governor-General's despatch.

7. It must be understood that no increase of expense to the Imperial Exchequer beyond that involved in the existing agreement can be entertained, and that it is regarded as essential that complete control by the Commander-in-Chief over the local naval force in time of war must be secured to the Imperial Government.

8. I am to add that, before any definite action is taken, it will be necessary to ascertain what view the New Zealand Government may take of any proposed change in the Naval Agreement, to which the Dominion has hitherto been a party.

I am, &c.,
W. GRAHAM GREENE.

n well be founded upon the fact of judicial power in such matters having been referred upon the High Court.

11. Where the Commonwealth has no legislative power it has no executive power. If, as Ministers contend, the power to legislate with respect to "External Affairs" does not include the power to legislate for the observance by States or their officials of Imperial Treaties, then the whole subject is outside the bounds of the Commonwealth power.

12. Ministers repeat with much respect that the law, and the facts in connection with the "Vondel" case themselves show, that such an affair ought not to be regarded as a matter coming within the Federal power. The "Vondel" case not, judged by either its legal or administrative bearings, an "External Affair" at all, as the following facts show:—

- (a.) The Merchant Shipping Act in pursuance of treaty casts certain duties with respect to deserting seamen from Foreign ships upon policemen and Magistrates, who were Colonial, and are now State, officials. That Act is still unrepealed and unaltered.
- (b.) Neither the Commonwealth nor the State Legislatures have power to alter Imperial Legislation made applicable to the Colonies.
- (c.) The Commonwealth Act gives no jurisdiction over State officials, nor does it make the Commonwealth liable for their neglect or misconduct.
- (d.) If any responsibility in this matter exists it is in the State, and it would be promptly disavowed by the Federal Government.
- (e.) In the "Vondel" case an unfounded charge was made by the Netherlands Government as to the action of the State police, and the decision of a State Magistrate, both of whom acted under the "Merchant Shipping Act." The matter was one as to which the Commonwealth had no jurisdiction, no knowledge, and no liability. No State, as Ministers believe, will ever tolerate interference with its judiciary, or with any of its officers by the Commonwealth, unless express power to do so is given by the Constitution.

13. For the reasons above set forth Ministers respectfully disagree with the views of the Right Honourable the Secretary of State for the Colonies, which, as they believe, are not in accord with the Constitution. They hold that the proper course was taken by them in the "Vondel" case, in declining to communicate with the Imperial Government through the Commonwealth Government; and they respectfully decline to acknowledge that Government as an intermediary in such cases for the future.

J. H. GORDON,
Acting Premier.

No. 17.

R. CHAMBERLAIN to LIEUTENANT-GOVERNOR SIR S. J. WAY (SOUTH AUSTRALIA).

R,
Downing Street, April 15, 1903.
I HAVE the honour to acknowledge the receipt of your despatch of the 14th of February,* forwarding a further memorandum by your Ministers, on the question of the channel of communication in regard to complaints made by foreign Governments as to the conduct of State Officials.

2. I note that you propose to furnish me with your personal views on this matter and I shall be glad to receive and consider them, but I think it due to your Ministers that I should state at once the reasons why, after full consideration of their further memorandum, I am still unable to concur in their views.

3. The difference of opinion between your Ministers and myself in regard to this question, arises from the widely different points of view from which we approach the question of the object and scope of the Constitution Act.

* No. 16.

Australians, also what increase of Imperial expenditure is involved if their proposals are accepted. Control over vessels built and maintained at Commonwealth expense must rest with its Parliament, which would place it under Commander-in-Chief whenever that was deemed necessary.

Ministers hope the scheme by which these vessels would be maintained at standard of Royal Navy, both their officers and men being trained in and passed through Navy when not serving on Australian coast, would mean creation efficient auxiliary force of value to the Empire and precedent for other Dominions.

New Zealand has been informed of the proposals and will be again communicated with on receipt of reply to this.

—NORTHCOTE.

No. 6.

AUSTRALIA.

THE SECRETARY OF STATE to THE GOVERNOR-GENERAL.

(Sent 5.8 p.m., 13th December, 1907.)

TELEGRAM.

[Answered by No. 9.]

With reference to your telegram of 9th December,* Lords Commissioners of the Admiralty desire to say that proposal for amendment of existing Agreement does not meet the case. If Agreement is cancelled any further arrangement must be subject of future negotiation after proposed scheme has been fully elaborated. There was no provision in the scheme indicated by Mr. Deakin when in England for retaining permanently or loaning indefinitely cruisers for Australian local service.

Allusion to retention of particular ships includes all four cruisers now asked for.

Ministers' proposals, for reasons before stated, cannot be accepted. In absence of details increase of expenditure cannot be estimated, but in any new arrangement there must be general understanding that cost entailed by present Agreement is not exceeded.

Control by Commander-in-Chief of Australian flotilla in time of war considered indispensable on account of probable international difficulties as well as for strategic reasons generally. Such control would not, however, necessarily mean removal of flotilla from Australian waters.—ELGIN.

No. 7.

AUSTRALIA.

THE SECRETARY OF STATE to THE GOVERNOR-GENERAL.

My Lord,

Downing Street, 13th December, 1907.

I HAVE the honour to inform you that I have, in conjunction with the Lords Commissioners of the Admiralty, given very careful consideration to the proposals contained in your despatch of the 16th October,† on the subject of the naval defence of Australia.

2. You will have learned from my telegrams of the 7th and 13th instant‡ that the Lords Commissioners regret that they cannot accept these proposals, as they stand, as the basis of a new arrangement in substitution for the existing Naval Agreement.

* No. 5.

† No. 1.

‡ Nos. 4 and 6.

are can be external affairs of the Commonwealth itself, which are not external affairs of the Imperial Government.

12. Whether the power given to the Commonwealth Parliament to legislate in regard to external affairs extends to treaties it is unnecessary for me to enquire, as, in my point of view, the question at issue between your Ministers and myself is not as to the powers of the Commonwealth Parliament, but as to the responsibility of the Commonwealth, which is the measure of the sphere of the Commonwealth Executive.

13. In regard to the alleged treatment of the "Vondel" your Ministers are not directly responsible, as they maintain, but their responsibility is to the Commonwealth, which is in turn responsible to His Majesty's Government, with whom rests the ultimate responsibility to the Netherlands Government.

14. If for these reasons I am unable to accept the views of your Ministers, I am sure that they will recognize that my decision is not due to any disrespect towards them or any desire to detract from or disparage the important and responsible functions in which they are invested, but solely to my desire to be loyal to what, I am convinced, was the intention of the people of Australia and the will of Parliament as declared in the Commonwealth Constitution Act.

I have, &c.,
J. CHAMBERLAIN.

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[Answered by No. 9.]

With reference to your telegram of 9th December,* Lords Commissioners of the Admiralty desire to say that proposal for amendment of existing Agreement does not meet the case. If Agreement is cancelled any further arrangement must be subject of future negotiation after proposed scheme has been fully elaborated. There was no provision in the scheme indicated by Mr. Deakin when in England for retaining permanently or loaning indefinitely cruisers for Australian local service.

Allusion to retention of particular ships includes all four cruisers now asked for.

Ministers' proposals, for reasons before stated, cannot be accepted. In absence of details increase of expenditure cannot be estimated, but in any new arrangement there must be general understanding that cost entailed by present Agreement is not exceeded.

Control by Commander-in-Chief of Australian flotilla in time of war considered indispensable on account of probable international difficulties as well as for strategic reasons generally. Such control would not, however, necessarily mean removal of flotilla from Australian waters.—ELGIN.

No. 7.

AUSTRALIA.

THE SECRETARY OF STATE TO THE GOVERNOR-GENERAL.

MY LORD,

Downing Street, 13th December, 1907.

I HAVE the honour to inform you that I have, in conjunction with the Lords Commissioners of the Admiralty, given very careful consideration to the proposals contained in your despatch of the 16th October,† on the subject of the naval defence of Australia.

2. You will have learned from my telegrams of the 7th and 13th instant‡ that the Lords Commissioners regret that they cannot accept these proposals, as they stand, as the basis of a new arrangement in substitution for the existing Naval Agreement.

* No. 5.

† No. 1.

‡ Nos. 4 and 6.

AUSTRALASIA.

CORRESPONDENCE

RELATING TO THE

NAVAL DEFENCE OF AUSTRALIA
AND NEW ZEALAND.

Presented to both Houses of Parliament by Command of His Majesty.
October, 1908.



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1908.

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Agreement, and to enquire what answer should in their Lordships' opinion be returned to it.

Lord Elgin would suggest that probably this telegram cannot well be answered by cable, and that it may be better to send full explanations by despatch on the several points raised.

I am, &c.,
C. P. LUCAS.

No. 11.

AUSTRALIA.

THE GOVERNOR-GENERAL TO THE SECRETARY OF STATE.

(Received 20th January, 1908.)

[Answered by No. 16.]

MY LORD, Governor-General's Office, Melbourne, 18th December, 1907.

I HAVE the honour to inform Your Lordship that on the 13th instant, in a speech in the House of Representatives, my Prime Minister explained the policy of the Government in relation to the Defence question.

2. The speech will be found in the Parliamentary Debates, two copies of the proof of which (No. 48) are forwarded to Your Lordship this day under separate cover. A set of the loose sheets of the speech is appended hereto.

I have, &c.,
NORTHCOTE,
Governor-General.

Enclosure in No. 11.

DEFENCE POLICY.

MR. DEAKIN (Ballarat—Minister of External Affairs) [6.2].—In pursuance of an undertaking given more than once this session, that the policy of the Government in relation to Defence would be submitted to the House before the Christmas adjournment, I take this opportunity to lay our scheme before honourable members. The fact that there is necessarily a small attendance in this last hour of our session this year imposes no disability, because the remarks I desire to offer will consist largely of quotations and figures, rapidly summarised, and, therefore, best studied in print. While it is physically impossible to deal with the whole defence question as it deserves, I shall endeavour to touch, however lightly, upon those many aspects which cannot be omitted without prejudice to a general outline. One of the chief reasons for the union of our States was the need of a common defence; but, until now, we have been content to take the course of expediency, and although there has been combination and re-construction, the land and sea forces of the Commonwealth are still little more than the collective forces of the States. We now propose a new organization for the defence of Australia. Therefore, we are about to initiate a departure, contemplated at the inception of Federation, and intended to lay the foundation of our defence upon a basis as wide as the Commonwealth, without distinction of States. This House has just completed its task of dealing fiscally with the industrial conditions of the country as a whole, and it is appropriate that we should proceed to deal nationally with its defence. I am, to a certain extent, in sympathy with the honourable member for Wide Bay, who, by interjection, inferentially deplored expenditure on warlike preparations. It is not because we admire, or desire, offensive warfare that great proposals are now to be submitted for the consideration of Parliament. That we should require to take thought for the morrow in this regard is, to the thoughtful, occasion for inappeasable regret. The enormous annual expenditure of modern nations, severally jealous of each other's possessions and privileges, foreseeing the contingency that they may become involved in deadly conflict, though unhappily an evident necessity, presents humanity in a stage of its evolution which cannot be regarded with pride or satisfaction. To-day the civilized world, and the uncivilized, too, consists of armed nations. Its leading nations are arming with more feverish haste than ever before, and, unhappily, the pace set by the foremost is that with which every people, desiring to protect itself from loss and aggression, must attempt to keep step. This has been termed cut-throat competition; and it is accurately so described. But as no one will suspect Great Britain, or still less one of her dependencies, of seeking to quarrel with her neighbours, or of

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a word. After all, the British Empire itself and all its parts depend for their unity and guarantee of freedom upon the Navy. That is its first line of defence, and we in Australia are distinguished in this particular, because we must rely more upon it than any other part of the Empire. Ours is an island continent, and its best defence will be that which prevents an invader from ever setting his foot upon our shores. Now, naval discipline and training differ in character very largely from military training and discipline. The former is much more specialized on shipboard, and even naval militia demand far more training to reach a modern standard of efficiency. Still we have every reason to believe that the national instinct of the sea lives in our section of the race as much as in any other. Certainly every report we obtain, and every evidence we acquire, proves the success of our sailors in the Australian Squadron, and in the examinations and tests with men of the Royal Navy in the Mother Country. All go to show that they are maintaining the reputation of this country, standing well above the average standard achieved even in the finest navy the world possesses. But when asking you to make a far larger provision for naval development than has ever been attempted here, we require to recollect at the very outset that we owe to naval power and to the British flag our freedom in, and ownership of, this territory, the power to retain it, the whole of our political liberties, and social standards. The Commonwealth is governed by a policy appropriately termed that of a "White Australia" because the "white ensign" flies all round our coast. Withdraw that and peril would be instant. The Mother Country, though still "Mistress of the Seas," submits to have some of the fleets of battleships by which her coasts are guarded, occasionally distant from that base. But still those remaining afford her a measure of protection only to be obtained in our case by what would be distinctly termed coastal defence. The squadron in these seas may at any time be removed to the China or Indian Seas. When a parallel is sought to be drawn between her circumstances and ours, this contrast requires to be taken into account. Needless to say, our immense area means a long coast-line, and, therefore, the protection of Australian shores, quite apart from any attempt to share in operations upon the high seas, implies a great burden of responsibility. We are often taunted with paying no adequate share of the cost of, and with taking no part in naval defence on the high seas by, the battle-ships. But, although since 1887 I have been engaged, with others, in considering various methods for the measurement of the responsibilities of the several portions of the Empire in regard to the maintenance of its flag upon the world's oceans, I have never yet, either by one standard or by any combination of standards, been able to arrive at, or find any one else who has arrived at, a plan which is ripe for practical consideration. I propose, therefore, to pass by that part of the subject. It is not because we deny the main tenets of the "blue water" school. We admit that the sea is one all the world over, and that, therefore, the navy on the high seas must also be one in direction and command all the world over. But what we point to is that our problem of naval defence, putting aside the question of our share in the defence of the high seas, is a special problem to be viewed in the light of our special circumstances. This will be a principal element in shaping the local naval proposals which I shall presently disclose. Let me merely say, in passing, that any personal knowledge I have gained, either by reading or observation, encourages me to believe that, whatever signs of decadence may be discovered by critics in the Mother Country or in any of her departments, the Navy stands out as an exception. It is a distinctly up-to-date force, constantly adjusting itself to fresh conditions, whose officers and men prove on every occasion of trial that they retain, with the dauntless courage of the race, its natural adaptability, not only to the ancient wooden ships of the line, but to the curiously deformed modern structures of enormous interior complexity and deadly power constituting the Navy of to-day. No spectacle in England was, or could be, more impressive either to her own people or to those of us from overseas than that which was lately witnessed at Portsmouth. There in the Channel one saw the "fleets in being" gathered together, realizing by aid of the eye what their potency actually is. Dreadful thunders were locked within those iron hulls, fitted and finished within almost as delicately as a watch, containing every modern improvement, the latest developments of telegraph and telephone, every agency that can protect the crew or destroy a foe, all apparently in perfect condition and under absolute command. The British Navy is a proud and progressive service, not content to rely upon its past laurels, unequalled as they are, but pushing insistently

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1	Admiralty	—	February 10	Submits views on the points raised in No. 10 with regard to the proposed revision of the Australian Naval Agreement.	37
2	To the Governor-General.	Australia	February 11	States that the speech of the Prime Minister on defence enclosed in No. 11 has been read with much interest, and that copies have been communicated to the Admiralty and Army Council.	39
3	Ditto	Australia	February 14	Transmits copy of No. 15	40
4	To the Governor ...	New Zealand.	February 14	Transmits copies of Nos. 9, 12 and 17 ...	40
5	The Governor-General.	Australia, Telegram.	(Rec. Apr. 1.)	Reports that Ministers require information on certain points before replying to No. 17.	40
6	The Governor ...	New Zealand.	March 17 (Rec. Apr. 21.)	Forwards copy of a Memorandum from the Prime Minister stating that the New Zealand Government propose, unconditionally, to increase the subsidy to the Imperial Navy from £40,000 to £100,000 per annum.	41
7	Ditto	New Zealand.	March 17 (Rec. Apr. 21.)	Transmits copy of a memorandum from Ministers requesting that they should be given the option of acquiring an obsolete man-of-war for the purpose of training young men for the Imperial Navy and the mercantile marine.	41
8	To the Governor-General.	Australia, Telegram.	April 21	States, in reply to No. 19, that the matter was referred at once to the Admiralty, but that there may be some further inevitable delay in sending a reply.	42
9	To the Governor ...	New Zealand, Telegram.	April 27	States that the proposal in No. 20 will be communicated to the Admiralty and expresses appreciation of the action taken and the cordial and generous terms of the Prime Minister's memorandum.	42
10	To the Admiralty...	—	April 27	Transmits copies of Nos. 20 and 23, and proposes to express to the New Zealand Government the satisfaction of His Majesty's Government.	43
11	To the Governor ...	New Zealand.	April 30	Informs him that the request of Ministers for an obsolete man-of-war has been commended to the favourable consideration of the Admiralty.	43
12	Admiralty	—	May 27	Expresses appreciation at the increased contribution from New Zealand and readiness to co-operate in any arrangement in substitution for the agreement.	43
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in London, a compromise was arrived at, by which a squadron of Imperial ships was set apart for Australia on condition that we shared the cost. The only change that occurred in 1902, when the third Colonial Conference was held, was that the Admiralty pressed hard for an immensely larger contribution than had been previously paid; and it was only after a great deal of bargaining that they consented to accept about half their original demand. Our Australian Naval Agreement Act embodies the arrangement then arrived at. At the same time, instead of being restricted, as before, to Australian waters, the new squadron was permitted to operate in the Australasian, Indian, or China seas. The only Australian characteristic of this squadron was that two of the vessels were to be manned by Australians, who were to receive extra pay. In 1903, in consequence of that Conference, the Act to which I have referred was passed. It sets out, in set terms, that its basis implies a single navy under one authority, and that the squadron, though called Australian, is to be stationed wherever the Admiralty believe it to be most effective for the defence of our trade and interests. At the same time, it is provided that Australia shall be treated as a base for coal and supplies. This Act, as honourable members will recollect, was passed only after protracted discussion. The Admiralty were not satisfied with the contribution made, and a section of our people were not satisfied with the bargain from our side. Consequently, when, in 1905, Admiral Fanshawe delivered several speeches, and one in particular in which he pointed out the insufficiency of our contribution, I took occasion in August of that year to write to the British Government a despatch challenging his contentions. I pointed out that there was nothing distinctively Australian in the Naval Squadron maintained in these waters, that our support to it had been given in default of better means of co-operation, and that, being in no sense specifically associated with us, it roused no patriotic feeling. No exception was taken to the existence of a Naval Agreement between the British Government and ourselves; on the contrary, that was postulated. But exception was taken to the fact that our contribution was made in money, and only indirectly in men, when they entered the ships of the squadron. In no other way were they connected with us, or representative of us. My objection was that Australia's part in this agreement was simply to find a certain contribution in money, and my suggestions were that we ought to substitute some active co-operation for this mere cash payment. In 1906 the Admiralty, by despatch, dissociated themselves altogether from Admiral Fanshawe's expressions of dissatisfaction. In October of that year, having in view the then impending Colonial Conference, amongst the resolutions I prepared was one asking reconsideration of the Naval Agreement. It will be found on reference to page 132 of the reports of that Colonial Conference, that, in the course of the debates, I verbally called attention to the same defects, from my point of view, in that Agreement. I contended that the monetary standard was not the most acceptable for an Australian contribution, and that some other form of co-operation was necessary; that, in its present form, the Agreement was not so popular as it ought to be, considering the great popularity of the British Navy—that, in short, the Agreement was not satisfactory to anyone, and had been accepted only until a better means of united action could be devised. But shortly before the Colonial Conference opened, a debate occurred in the House of Commons, in which a speech by Mr. Balfour, followed by its indorsement on behalf of the present Government, exhibited an entire change of front on the part of the British Parliament, so far as the political side of this question is concerned. It was then intimated in the clearest terms that so far as the British Parliament was concerned it would make no further demands of any kind upon us in connexion with Imperial Naval Defence. The statement of the Prime Minister, Sir H. Campbell-Bannerman, that naval defence and foreign affairs must go together was made at the opening of the Imperial Conference in April last. That axiom exactly summed up the effect of the debate in the Commons. At our subsequent meetings, Lord Tweedmouth, who represents the Admiralty in the Government, plainly said—

Speaking for Great Britain and the British Government, we are responsible.

Upon page 129 of the report of the proceedings of the Conference it will be found that he uttered these memorable words—

We want you to give us all the assistance that you can, but we do not come to you as beggars; we gladly take all that you can give us, but at the

AUSTRALASIA.

CORRESPONDENCE

RELATING TO THE

NAVAL DEFENCE OF AUSTRALIA
AND NEW ZEALAND.

No. 1.

AUSTRALIA.

THE GOVERNOR-GENERAL to THE SECRETARY OF STATE.

(Received 18th November, 1907.)

[Answered by Nos. 4 and 7.]

Commonwealth of Australia, Governor-General's Office,

MY LORD,

Melbourne, 16th October, 1907.

I HAVE the honour to transmit, herewith, a copy of a despatch addressed to me by my Prime Minister, on the subject of the naval defence of Australia.

2. I invite your Lordship's attention to paragraph 10 of the Prime Minister's despatch, from which it will be gathered that Ministers will be glad if the matter can be laid before the Lords Commissioners of the Admiralty without delay, and recommended to their immediate and favourable consideration.

I have, &c.,

NORTHCOTE,

Governor-General.

Enclosure in No. 1.

(P. M. 07/4466.)

MY LORD,

Melbourne, October 16, 1907.

I HAVE the honour to request that Your Excellency will communicate with the Secretary of State for the Colonies inviting him to refer the Admiralty to my despatch of the 28th August, 1905,* of which, for greater convenience, I enclose a copy.

2. The subject therein dealt with has been fully and thoughtfully considered during the period which has elapsed since it was written, not only by Ministers here, but also during the recent Conference in London, where I had the great advantage of personally discussing the matter with Lord Tweedmouth and the Heads of his department.

3. Speaking generally, the further consideration which has been given strengthens the conclusions put forward in 1905, particularly those in which I dwelt upon the fact that at present none of our grant is applied to any distinctively Australian purpose, while our contribution would seem in part repaid if we were enabled to take a direct and active part in the protection of our shores and shipping. Our sole aim then, as now, was that of uniting with the mother country in the necessary preparations for national defence, and the scheme I have lately submitted

* See page 69 of [Cd. 3524].

moment, no doubt we are under certain obligations with regard to Australia, as to the ships that are to be on that particular station. If, in future, as I hope will be the case, there will be greater concentration of the ships, I want it to be very distinctly understood that I do not believe that our Dominions beyond the seas would suffer in any way from such an arrangement.

Again, he declared—

We want to consult with you as to the details of this scheme. Of course, if each separate Colony is to be treated on a different footing, we are quite ready to do that, and to make separate arrangements with each separate Colony according to its own wishes.

These quotations give a good idea of what is expected of us. We are asked to take a "leading part" in making the naval defence of the Empire more complete. Upon page 130 of the report of the proceedings of the Conference, Lord Tweedmouth defined exactly what he hoped would be our part. He said—

It would be of great assistance if the Colonial Governments would undertake (1) to provide for local service in the Imperial Squadrons, the smaller vessels that are useful for defence against possible raids, or for co-operation with the squadron, and also (2) to equip and maintain docks and fitting establishments which can be used by His Majesty's ships. It will further be of much assistance if (3) coaling facilities are provided, and arrangements can be made for a supply of coal and naval stores, which otherwise would have to be sent out specially or purchased locally.

The numbers inserted in the quotations, for convenience, are my own. It will be noticed that our small vessels are to serve "in the Imperial Squadron." Finally, on pages 130 and 131, he made some remarks which are worthy of special note. He suggested that—

If the provision of the smaller craft which are necessarily incident to the work of a great fleet of modern battleships could be made locally, it would be a very great help to the general work of the Navy. You cannot take the small crafts, such as torpedo boats and submarines, across the ocean, and for warships to arrive in South Africa or in Australia or in New Zealand or in Canada, and find ready to their hand well-trained men in vessels of this kind, would be an enormous advantage to them. It would be an enormous advantage to find ready to their hand men well trained, ready to take a part in the work of the fleet. There is, I think, the further advantage in these small flotillas, that they will be an admirable means of coast defence; and that you will be able by the use of them to avoid practically all danger from any sudden raid which might be made by a cruising squadron.

Here our vessels are to be apparently used by us to resist raids, and not necessarily "in the Imperial Squadron." I hope that without wearying the House I have now fairly placed before honourable members the essence of the propositions submitted to us in London by Lord Tweedmouth. Curiously enough, the Admiralty had then arrived at exactly the same position as the Australian Premiers did in 1881. The whole defence of the sea and its control is to be a matter for the British Government and the British Navy. The defence of our shores is to be left to Australia except that there may be a small flotilla of Australian vessels capable of being used by the Navy as a part of its squadron. That represents a political transformation. An equal transformation has taken place in the strategical policy of the Admiralty, which affects us most materially. The old doctrine, so far as I understand it, appeared to be that the strength of the Mother Country was to be asserted by the presence in every important sea of a separate fleet to patrol its waters and to maintain British interests against attack, so that wherever difficulty arose there would be a fleet in that particular portion of the globe prepared for duty. But in recent years the whole view of the Admiralty experts seems to have changed, and although there is still a certain amount of localization of forces the doctrine of concentration has been rapidly developed, and is now being acted upon all round the world. As honourable members are aware, the old fleets of the Empire in Europe, and on the American coast—they have been withdrawn from the latter—have been massed. Second or third rate ships have been discarded to the scrap-heap. The most powerful vessels of the old squadrons have been brought together, in order, instead of having a separate fleet in every ocean, and on almost

the conviction of Ministers that our proposed expenditure on defensive craft, which, while satisfying the desire for a visible and ever-present means of immediate protection, would yet be capable of effective employment in co-operation with His Majesty's larger ships upon our coasts, would materially foster the desire among our people for sea career, and so increase our maritime resources in a direction in which improvement is greatly needed.

10. I shall be glad if Your Excellency will request that this communication be forwarded to the Admiralty without delay, and will commend it to their immediate and favourable consideration.

11. If the scheme suggested is approved, some amendment will be necessary in the Naval Agreement of 1902, which forms the schedule to our Naval Agreement Act of 1903. Article VIII. will require to be recast, and some minor alterations made in Articles V. and VII., and perhaps XII., but the precise form can be settled later.

12. Perhaps the Secretary of State will suggest to the Admiralty that they should submit a draft of any amendments necessary to give effect to the foregoing proposals.

I have, &c.,

ALFRED DEAKIN.

Governor-General

His Excellency

The Right Honourable Lord Northcote, G.C.M.G., G.C.I.E.,

&c., &c., &c.

No. 2.

AUSTRALIA.

THE GOVERNOR-GENERAL to THE SECRETARY OF STATE.

(Received 8.35 a.m., 6th December, 1907.)

TELEGRAM.

[Answered by No. 4.]

Parliament about adjourn Christmas Session. Ministerial Defence policy promised before rising; they are most anxious to receive immediate reply by telegraph to my despatch 16th October,* in relation to Naval Agreement.—NORTHCOTE.

No. 3.

AUSTRALIA.

ADMIRALTY to COLONIAL OFFICE.

(Received 9th December, 1907.)

Admiralty, 7th December, 1907.

I HAVE laid before my Lords Commissioners of the Admiralty your letter of the 20th November,† forwarding copy of a despatch* from the Governor-General of the Commonwealth of Australia submitting certain proposals on the subject of the naval defence of Australia put forward by the Prime Minister of the Commonwealth Government.

2. These proposals are to the effect that the contribution at present payable Australia under the Naval Agreement should cease to be credited to the Imperial

* No. 1.

† Not printed.

period. In any event, whatever ships and men we obtained would be available in time of war in the event of an attack upon our coasts, in order to act with the concentrated Royal Navy Squadron, or any part of it, in our own waters. These submersibles and destroyers would afford a very real help to the squadron and be of great value from the point of view of Imperial Defence in these seas. They and the harbour works, &c., would represent a greater naval contribution than the present subsidy. Putting it briefly, as I understand it, the policy of the Admiralty itself is that they regard the present Australian Naval Agreement as an encumbrance which they desire to cancel, in order that their ships may be free from any local conditions whatever; and they will only consent to have their ships limited geographically, as they are by the present Agreement, because of our insistence, and because of the contribution which we make towards their upkeep. But for their own part, the Admiralty are, at least, perfectly willing—some of its advisers are anxious—to be entirely freed from the present Agreement. In the next place, they look forward to the Commonwealth undertaking the defence of its harbours and coasts by a small flotilla such as I have already alluded to and subject to a very important and vital consideration to which I shall presently allude. The plan of naval construction suggested by our local officers, two years ago, has since been reviewed in connexion with the necessary disabilities attaching to any isolated little service of our own, with its costliness and lack of stimulus and training facilities. My view in regard to the flotilla was clearly explained when in London. After quoting what Lord Tweedmouth had said about the value to the British Squadron of submersibles or submarines and destroyers in these waters, I went on to insist that these submersibles and destroyers, built, manned, and maintained at the sole expense of the Commonwealth, must remain under the control of the Government. Their distribution and movements would be entirely subject to that Government at all times. That is one of the features to which I wish to call the attention of honourable members, because it is supplemented by a novel proposal for directly associating our naval forces with those of the Mother Country. I ventured to press it then, and, as honourable members will see, am still pressing it upon the acceptance of the Admiralty. While feeling that for every constitutional reason, any flotilla created and maintained by the Commonwealth must be under Commonwealth control, I have grown more and more deeply to realize the risks of our attempting to create a small force solely of our own, in which the men and officers would have no hope for experience or advancement except within its bounds. A small flotilla of that description would remain a thing apart, not directly committed to the high standards of the Imperial Navy. In the Imperial Navy, as honourable members are aware, the men and the officers on every station are changed at short periods. Elaborate provisions are made to prevent them becoming hide-bound, sit-at-ease, indifferent, or mechanical. They are transferred from ship to ship. They are put regularly through fresh courses of training. They have to return periodically to learn the latest methods in their particular departments. The consequence is that the Royal Navy is a most progressive weapon, always kept up-to-date, its men constantly in practical training, and always stimulated by competition, by examination, and by every other means which can be applied, in addition to the always powerful incitements offered by frequent prospects of promotion to vacancies in the many fleets of the Empire. I think that the more honourable members reflect upon it, the more they will see how different must be the condition of a little land-locked navy—if one may so call it—of a small flotilla cut off by itself, its officers and men removed from the possibilities of promotion or advancement, except by the slow and often unsatisfactory process of seniority, and with few opportunities for them to keep themselves abreast of the rapid advances made in their branches of the service. I contend, with the diffidence which must attach to a layman, though with some confidence, that the force of these criticisms will be made apparent if you take any country with a small flotilla or a few small ships, and compare these with the same class of ships and the same class of men engaged in larger fleets with larger opportunities, and above all with those of the greatest of maritime powers, the British Navy. I ventured, therefore, to attempt to find a means by which we could get the whole benefit of connexion with the Admiralty and the Imperial fleet, sharing its standards, its training, and its prizes, and yet maintain the Australian character of our flotilla, and so made the suggestion which I now summarize. Let our officers and men be engaged here, under the same conditions as those of the Royal Navy, or be obtained after they have served in the Royal Navy. Let them serve on our local vessels for the usual term on this station, whatever it may be, and then pass into other ships of the Royal

No. 4.

AUSTRALIA.

THE SECRETARY OF STATE TO THE GOVERNOR-GENERAL.

(Sent 4.30 p.m., 7th December, 1907.)

TELEGRAM.

[Answered by No. 5.]

Referring to your telegram of 6th December,* Lords Commissioners of Admiralty point out that scheme proposed in your despatch of 16th October,† goes beyond general undertaking arrived at during Conference.

After full consideration they regret that they cannot accept these proposals as they stand as basis of new agreement in substitution for Naval Agreement.

They adhere to the position taken up at Conference that, while they did not themselves propose to cancel the existing agreement, they were prepared to cooperate with the Colonial Governments if an alteration was desired by them, but so long as the existing agreement is not cancelled the Admiralty is precluded from making the necessary strategical dispositions of naval forces, and, therefore, the first condition of any new arrangement must be the cancellation of the agreement.

The Admiralty fear that they are not in a position now to express an opinion on the details of the scheme, which has not been yet put forward in sufficient detail to form the basis of a new arrangement.

Your Premier appeared at Conference to realise that under the scheme then suggested by him the Admiralty would not be bound to maintain any particular ships permanently in Australian waters, and their Lordships are prepared to advise and assist in carrying out either the scheme submitted by Mr. Deakin at Conference or an approved modified scheme for local defence, provided that such a scheme does not involve a definite pledge to maintain particular vessels permanently in Australian waters.

Before any definite conclusion can be arrived at, it will be necessary to ascertain the views of New Zealand Government as to any proposed alterations, and, further, the Admiralty desire it to be understood that no increase of Imperial expenditure beyond that involved in the existing agreement can be entertained and regard it as essential that complete control in time of war over local forces must be secured to Commander-in-Chief.—ELGIN.

No. 5.

AUSTRALIA.

THE GOVERNOR-GENERAL TO THE SECRETARY OF STATE.

(Received 9th December, 1907.)

TELEGRAM.

[Answered by No. 6.]

Referring to your telegram of 7th December,‡ have received Minutes from my Ministers to the following effect:—

Secretary of State's telegram, "Naval Agreement," received with thanks for prompt reply. Ministers are unable to gather, firstly, assuming existing agreement cancelled, what amendments Admiralty propose in new agreement in addition to those mentioned in Governor-General's despatch, dated 16th October,† paragraph 11, enclosure; secondly, in what respects their proposal goes beyond general understanding at Conference; or thirdly, beyond any scheme submitted by Deakin at Conference.

Ministers wish to know if allusion to particular ships maintained permanently Australian water refers to anything more than cruisers manned by

* No. 2.

† No. 1.

‡ No. 4.

a real addition to the British Navy. Our squadron being an addition to, although part of, the Royal Navy, could be employed with its ships to its and our great advantage.

Mr. SALMON: And Australia would become a recruiting ground for the Imperial Navy.

Mr. DEAKIN: As it would to the same extent in no other way.

Mr. WILKS: It would be an auxiliary squadron.

Mr. DEAKIN: It would be an auxiliary squadron in the sense of being trained in exactly the same way as the Royal Navy, and, therefore, capable of acting with it as an auxiliary just as troops who are drilled together can act together. In fact, it would be part of the British Navy. The question between us at present is not principally one affecting our present payment towards the upkeep of the squadron. As showing the attitude which the Admiralty adopted towards the subsidy, Lord Tweedmouth said—

The best way to start the system he was suggesting would be to allocate for local purposes certain portions of the subsidies already given. The particular purposes to which that money should be devoted should be discussed in detail between representatives of the various Colonies and the Admiralty, so that a thoroughly good scheme might be worked out in the end.

The real question is one of control, though that only emerges gradually into view as the negotiations proceed. The problem before us is the association of our small naval strength with the great organization of fleets of the Mother Country so as to secure the highest efficiency and unity without sacrificing our right to the constitutional control of our own funds, and of any flotilla built and maintained at our own cost. I have made numerous quotations because honourable members, when they come to read them, will see certain inconsistencies which appear to beset Lord Tweedmouth's mind at that time—inevitable contradictions that have since become clear, but which only subsequent events enabled us to discover. Honourable members will see that on the part of the Admiralty there are to be no more demands on Australia—no official claims for money. But there are conditions sought to be imposed though these differ in substance from the demands originally made on us. Of course honourable members will not forget that there are two branches of naval defence as it will be undertaken by the Commonwealth. First, there is the British Squadron for which we make a contribution in money. It is with that, and with that alone, that the Admiralty are dealing in the correspondence presently to be read. But quite apart from that, there is about to be created by ourselves, at an expenditure of £250,000 a year, a force, towards which, of course, the Admiralty will not contribute, and over which they can claim no control except that which this Parliament may be pleased to give them. I ask honourable members to keep in their minds those two separate sets of proposals, because all the references made by the Admiralty relate only to our present contribution and their Squadron. We pay £200,000 a year to that Squadron, and that contribution is often ridiculed overseas. I venture to say that by no comparative test can it be subjected to ridicule. It will compare favourably with the £50,000 a year contributed by Cape Colony, with the £40,000 a year contributed by New Zealand, with the £35,000 a year contributed by Natal, and with the £3,000 a year contributed by Newfoundland. While the expenditure in Canada amounts to £185,000 a year, it is for the protection of her own fisheries, on docks which her vessels have to use, and on other matters from which direct local commercial benefits arise.

Mr. KING O'MALLEY: Does Canada contribute nothing to the British Navy?

Mr. DEAKIN: Not directly; she spends £185,000 on services which not only serve Canadian, but also Imperial, ends, and are, therefore, counted by her as a contribution towards defence. I am not criticising that course, and certainly am not objecting to it, but point out that we cannot measure that expenditure of £185,000, from which the Canadians get considerable local present commercial benefits, with our contribution of £200,000, from which we get nothing of that kind.

Mr. FISHER: They do not conceal the fact that they do not intend to pay a subsidy to the British Navy.

Mr. DEAKIN: They do not conceal that fact; but I am not called upon to criticise them.

3. I have now to enclose, for the information of your Ministers, copy of a letter* from the Admiralty, the substance of which was communicated to you in my telegram of the 7th instant.

I have, &c.,
ELGIN.

No. 8.

NEW ZEALAND.

THE SECRETARY OF STATE TO THE GOVERNOR.

MY LORD,

Downing Street, 13th December, 1907.

I HAVE the honour to forward, for the information of your Ministers, copies of correspondence† with the Governor-General of Australia and the Admiralty, as noted in the margin, regarding certain proposals made by the Commonwealth Government for the modification of the existing Naval Agreement.

Gov.-Gen. Australia, Oct. 16.
Admiralty to Colonial Office, Dec. 7.
Telegram to Gov.-Gen. Australia, Dec. 7.
Gov.-Gen., Telegram, Dec. 9.
Gov.-Gen., Telegram, Dec. 13.
Gov.-Gen., Dec. 13.

I have, &c.,
ELGIN.

No. 9.

AUSTRALIA.

THE GOVERNOR-GENERAL TO THE SECRETARY OF STATE.

(Received 2.25 p.m., 17th December, 1907.)

TELEGRAM.

[Answered by No. 14.]

Referring to your telegram of 13th December,‡ Naval Defence, have received minute from my Ministers to the following effect:—

Thanks for cable. Not clear why amendment proposals suggested despatch 16th October§ cannot be adapted to meet your wishes. Commonwealth does not desire increase your liability, but suggest diversion part of its payments to other means of naval co-operation of great advantage to Empire while also largely adding to its independent naval outlay. Desire to be informed in what direction elaboration of details necessary before proposals can be considered. Admitted that retention of four P cruisers Australian waters not put forward in England. Proposed after consultation with Commander-in-Chief Australian Station who raised no objection to their submission to you. If request P cruisers put aside are Admiralty prepared to accept Commonwealth proposals to provide thousand men and spend balance upon local vessels in lieu of subsidy? Assume control by Commander-in-Chief required in relation to these vessels ceases at termination of agreement. Assume that if cancellation essential this would not take place until terms new agreement for period still to run have been agreed upon.

NORTHCOTE.

No. 10.

AUSTRALIA.

COLONIAL OFFICE TO ADMIRALTY.

[Answered by No. 15.]

Downing Street, 20th December, 1907.

I AM directed by the Earl of Elgin to transmit to you, to be laid before the Lords Commissioners of the Admiralty, copy of a telegram¶ from the Governor-General of the Commonwealth of Australia respecting the Australasian Naval

* No. 3.

† Nos. 1 and 2 to 7.

‡ No. 6.

§ No. 1.

¶ No. 9.

convenience, I enclose a copy. [*Commonwealth Parliamentary Paper, Senate, No. 98 (1906).*]

2. The subject therein dealt with has been fully and thoughtfully considered during the period which has elapsed since it was written, not only by Ministers here, but also during the recent Conference in London, where I had the great advantage of personally discussing the matter with Lord Tweedmouth and the heads of his Department.

3. Speaking generally, the further consideration which has been given strengthens the conclusions put forward in 1905, particularly those in which I dwelt upon the fact that at present none of our grant is applied to any distinctively Australian purpose, while our contribution would seem in part repaid if we were enabled to take a direct and active part in the protection of our shores and shipping. Our sole aim then, as now, was that of uniting with the Mother Country in the necessary preparations for national defence, and the scheme I have lately submitted included a method of sharing in the duty of naval defences by means of a contribution of Australian seamen instead of money, which is allied to the provision for the selection and partial training of the crews engaged in the proposed steamer service as members of the Royal Navy Reserve formerly submitted.

4. As the replies received to the despatch of 1905, which appear also on the paper enclosed, expressed disapproval of the special suggestion then put forward, the Government now invite reference to that part of the despatch of 23rd May in which the Lords of the Admiralty intimate that other aspects of the matter might be viewed with favour. A specially suitable opportunity for discussing these was presented in connexion with the London Conference, when the whole question was generally reviewed as far as practicable, considering the limited time at our disposal. Lord Tweedmouth, speaking on behalf of the British Government, was most generous, and Ministers have confidence that the proposals now put forward by the Commonwealth in consonance with his suggestion will be adopted upon the advice of the Admiralty.

5. It was my intention, on returning, to take immediate steps to give effect to the general understanding arrived at in London had not personal disabilities prevented me from giving it, until recently the close attention which its details demand. After several conversations on the subject between the Minister for Defence, on behalf of the Government, and His Excellency the Admiral, whose freely-given assistance has been most highly valued, His Excellency was asked to telegraph to the Admiralty the proposals of this Government with reference to the Naval Agreement of 1903. The telegram which I sent to Admiral Fawkes was as follows:—

“Confidential.—In pursuance of my conversation, Tweedmouth and the Admiralty in London, and Ewing’s conversation with Your Excellency, please telegraph to Admiralty inquiring whether following proposals, approved for amendments in Naval Agreement, substituting for present Commonwealth subsidy offer one thousand seamen, Australians if possible, to be paid by Commonwealth for service in Navy on this Station, estimated cost of about £100,000 to Commonwealth per annum, remainder of present subsidy to be applied by Commonwealth to submersibles or destroyers, or similar local defences, as suggested London Conference. Two cruisers, ‘P’ or superior, manned by 400 of the 1,000 Australians, to be retained Australian coast, peace or war. Loan of two ‘P’ cruisers or superior, to be maintained by Commonwealth for training local Naval Militia, at estimated cost to Commonwealth of £60,000 per annum. This proposed amendment is in addition to Commonwealth vote this year—£250,000 for naval, harbour, and coast defence, and £50,000 for fortification harbours.”

6. To a subsequent inquiry by the Admiral as to whether any Australian Naval Reserve that might be kept up would be included in the Naval Militia, a reply was sent that it had been agreed in London that this Government would take over the Naval Reserve in Australia.

7. The Parliament of the Commonwealth is now sitting, and members anticipate that before they rise the proposals of the Government in regard

harbouring bellicose designs, we shall be believed when we say that our military preparation is strictly for defence, and with no threat of foreign offence. An obligation is cast upon us to protect the territory with which we have been intrusted, and the fortunes of our kindred who share its responsibilities with us; as our territory is part of the Empire, we are in a measure responsible to all its units across the seas to become to them a source of strength and not of weakness. There was a time, not long since, when it was confidently maintained that Australia was outside the area of the world's conflicts, and might regard with comparative quietude any hostile movements in other parts of the globe. That comfortable outlook has long since passed away. No one can contend that Australia is outside that arena to-day. On the contrary, every decade brings us into closer and closer touch with the subjects of other peoples planted in our neighbourhood, and with the interests of other peoples more or less antagonistic to our own. Consequently being compelled by the very circumstances of our time and situation to recognise the active lust of conquest existing not only in the industrial but in the national sphere, we must now prepare ourselves to resist the deadlier weapons which are employed in the realm of battle. I would not wish to suggest that naval and military discipline are so to speak a dead loss. On the contrary, we must admit that in many respects they do both make for physical well-being and to a certain extent, especially in the Navy, for moral and intellectual tempering. There is some counterbalancing consideration in that regard. Nor can we fail to recognise that, in many cases, preparations for strife are dictated by high and noble motives. But what I do urge is that the best results from military training are to be obtained in a citizen army exactly in the proportion in which it is a citizen army. When men rally round their hearths and homes simply to safeguard them and those they love, they discharge a duty. They serve peace and justice. The obligation upon all of us is that we should at least hand down to our children the heritage that we ourselves received at birth, undiminished and improved as far as has been possible within our compass. Any preparation for war in our case is for a war of resistance; we prepare for war, in point of fact, only to preserve peace. This is the policy of the Commonwealth. Possessively the Commonwealth has very much to defend. Taking the lower standard one finds that the wealth of Australia has been variously estimated at from £1,000,000,000 to £1,200,000,000. To-day that enormous treasure is placed in the keeping of a handful of population. While we spend annually for the purpose of defence one out of every thousand pounds so reckoned, we certainly cannot be accused of anything but the severest business economy of insurance. But obviously it is not upon the lower standard that we are able to measure our risks. If we lost the whole of our financial possessions we should miss them much less than if we were robbed of liberty, constitutional freedom, civilization, and social status. One hesitates even to consider such prospects, and yet one must recollect that there are grave contingencies to be kept in view, if it be only at the back of our minds. None of us can conceive Australians in serfdom, or subject to an alien rule. Although the incredible consequences that would follow from the obliteration of our race and nationality cannot be compassed by the imagination, we can never forget that what we have most to defend first and last is our national life and ideals—more precious than life of the breathing frame. For our defence to-day we spend on the basis of the Estimates for the current year about 6s. per head of our population. Allowing for the pension system in the United States of America their outlay on defence is nearly thrice as large, that of Germany and of France is more than thrice as large, whilst the expenditure in Great Britain is more than twice as much as the German, and nearly twice as much as the French. We cannot therefore be accused of undue extravagance. What we are spending is not in covetous rivalry but for the sake of security. What we endeavour when spending is to obtain value for our money. What we seek is not the development of what is sometimes termed a military, as distinguished from a martial, spirit. What we aim at is the maximum of good citizenship, with the spirit of patriotism as the chief motive power of a civic defence force. For always, behind the weapons, behind the organization, behind the gun, there is the man. It is in the character and capacity of its manhood that the real strength and energy of resistance of a people must be found.

Mr. CROUCH: And that is where we come in.

Mr. DEAKIN: When we do go in we must come out well. In this country we accept the minimum of professional militarism strictly so-called, and in considering our national policy generally we require a maximum of navalism, if I may coin such

ference to realize that under scheme then sketched by him Admiralty would not be bound to maintain any particular ships permanently in Australian waters, and their Lordships are prepared to advise and assist in carrying out either the scheme submitted by Mr. Deakin at Conference, or any approved modified scheme for local defence, provided that such a scheme does not involve a definite pledge to maintain particular vessels permanently in Australian waters. Before any definite conclusion can be arrived at, it will be necessary to ascertain the views of the Government of New Zealand as to any proposed alterations, and, further, Admiralty desire it to be understood that no increase of Imperial expenditure beyond that involved in the existing agreement can be entertained—

These are the last words, and the most important in the communication:—

and regard it as essential complete control in time of war over local forces must be secured to Commander-in-Chief.

That means the Admiral on this station. It is a stipulation for his control, irrespective of the consent of the Commonwealth Government, of all the "P" cruisers, or, at all events, of the two manned by 400 men, and possibly of any smaller craft built by us with the remainder of the present subsidy. While we are invited to take a leading part in naval defence, that leading part is to be confined to times of peace so far as our control is concerned, and is to involve no control in time of war.

Mr. FISHER: That is impossible.

Mr. DEAKIN: I replied in these terms on Monday last:—

Cablegram received with thanks for prompt reply. Ministers are unable to gather—(1) Assuming existing agreement cancelled, what amendments Admiralty propose in new agreement in addition to those mentioned in despatch of October 16th, paragraph eleven (11);

in which I indicated what articles in the present Agreement would need to be amended if the Government's proposal were adopted—

or (2) in what respects their proposal goes beyond the general understanding at the Conference; or (3) beyond any scheme submitted by Deakin at the Conference, Ministers wish to learn whether allusion to particular ships maintained permanently Australian waters refers anything more than cruisers manned by Australians; also what increase in Imperial expenditure is involved if their proposals are accepted. Control of vessels built and maintained at Commonwealth expense must rest with its Parliament, which would place them under Commander-in-Chief whenever that was deemed necessary. Ministers hoped that scheme by which these vessels would be maintained at standards of Royal Navy, both officers and men being trained in and passing through the Navy when not serving on Australian coast, would mean creation efficient auxiliary force of value to the Empire and precedent for other Dominions. New Zealand has been informed of the proposals, and will be again communicated with on receipt of reply to this.

That is the stage at which the negotiations at present stand. The impression left upon my mind by my visit to London was that the proposals made by us, and roughly summarised in the notes from which I recently read, would be accepted cordially. I wish it to be clearly understood, however, that this does not imply that the Admiralty itself, which is the authority now negotiating with us, speaking as the Admiralty, was committed to any definite view. But, having met the leading members of the Admiralty Commission and some of their leading officers, including most of the intelligence Branch, and having discussed proposals with them at great length and in detail, it appeared to me that the demand for control first put forward had been modified, and that we had every reason to expect a glad welcome to our offer. For that reason, amongst others, I proceeded deliberately and with confidence in the preliminary negotiations to which allusion has been made. I by no means despair of my proposition, and trust that the view now expressed by the Admiralty will not be maintained for any length of time. We had the great advantage, before submitting it, of receiving the kind assistance of His Excellency Sir Wilmot Fawkes. When our proposal is fully weighed and considered, it should commend itself to the Admiralty as a whole, as I know it did to some of its prominent

forward, keeping in its iron grip the priority it has held for centuries. Such considerations as these will explain something I have yet to say in due time with regard to what that Navy may mean to us hereafter. We have also to be reminded that the latest vessels of war—battle-ships, armoured cruisers, submarines or submersibles—from their greatest to their more diminutive sizes, make to-day far heavier and far more general demands on brain, nerve, and hardihood than were ever made in "the brave days of old." The intricacy and variety of their many mechanisms, enormous powers of speed, weight of projectiles and rapidity of firing with the immense range of their weapons of war—require such expert knowledge and training, such readiness of decision and promptitude of action, that they impose a strain upon their crews which would be simply inconceivable to our fighting forefathers who won the splendid sea fights at the beginning of the last century. To-day the Navy—always a service for young men, and consisting, except in positions of the highest command, of men under forty years of age, or very little above it—is to a still greater degree in the smaller craft with their more delicate pieces of mechanism, passing into the hands of young men. The submarines or torpedo destroyers, owing to their fragility and high speed, fulfil their regular functions under circumstances of danger, which, in war, when every pulse of the men and the mechanism is at high tension, would be immensely increased. The pressure upon the nerve, courage, and capacity of each unit and upon every man in the British marine is far higher now than it has even been, and still tends to increase with every one of the marvellous advances which science is making. To preserve naval efficiency under novel conditions such as these imposes much more arduous obligations than at any period in the world's history.

Sitting suspended from 6.27 to 7.45 p.m.

Mr. DEAKIN: The question of defence, as seen from Australia, falls naturally into three parts. The first relates to the command of the high seas, the next to the protection of our coasts, and the last, to our power to hold our own territory against invaders. For the first, we rely on the Imperial Navy, with its battleships and heavy cruisers, the radius of whose operations, and artillery, is being extended year by year. Our second line of coastal defence has had hitherto a varying history; and as to the land defences which must repel invasion, I shall speak presently. On what may be termed the Imperial line of defence on the high seas, as I have pointed out, our share of responsibility must be estimated hereafter. At the very outset of the recent Colonial Conference in London, the Prime Minister of Great Britain met us with the frank avowal that the British Government preferred no claim for money in relation to naval defence, and went on to add the extremely pregnant statement that the control of naval defence and foreign affairs must always go together. If honourable members appreciate the force of that axiom, they will see that it implies much, both now and in the future. It implies that for the present, seeing that we have no voice in foreign affairs, we are not obliged to take any part in Imperial naval defence. It implies, also, with equal clearness, that when we do take a part in naval defence, we shall be entitled to a share in the direction of foreign affairs. But, in regard to the immediate situation, nothing could be more explicit. As we are in every respect outside of the domain of the foreign affairs of the Empire, and without any voice in the making of war or peace, so we remain for the present outside all responsibility for any naval defence on that score. But the question from our point of view cannot end with any such axiom. In order to mark the change which has come over the policy of British Governments in regard, first of all, to our political relations to the defence problem, and next in regard to the measure of defence which falls to our lot, allow me for a moment to refer to a few incidents in our own history. It was at a Conference in 1881 that the Premiers of the Australian Colonies put forward for the first time a definite doctrine of our mutual responsibilities. The whole naval defence, they said, should rest with the Imperial Government, while the military defence of the land, including the forts for harbour protection, should rest with Australia. That, so far as I remember, was the first definite doctrine laid down as to the division of the task of defence. The Premiers of Australia, on laying down that doctrine, demanded that, as part of the Imperial naval defence, there should be a squadron of Imperial ships set apart for the defence of our coasts. The Admiralty replied, declining to admit that responsibility, unless Australia paid the whole expense of maintaining the squadron, and even expressed a desire that we should pay the cost of building them. Nothing was done. Then came, in 1885, Admiral Tryon's scheme; and in 1887, at the first Colonial Conference held

expressed the aspiration that I might live to see the day when, in place of subsidizing a Squadron, Australia would supply ships built, manned, and commanded by Australians. That time is now arriving. But the conflict of opinion as to the best means of defence and the particular type of vessel most advantageous under our circumstances is acute in the Mother Country, and echoed here. I am not competent to decide the question, but Lord Tweedmouth, speaking for the Admiralty at the Imperial Conference, strongly recommended submarines. They were, he said, the weapons of the future. They were directly suggested by him to Sir Joseph Ward as suitable for the New Zealand coast, and he expressed the opinion that before long they would supersede the destroyers. He asserted that they were the best weapons available. In these circumstances, having regard to his official advisers, it would be unwise for us to reject his counsel. Even in face of the fact that high authority, that men well known to us and to the Empire as experts of very high standing, such as Sir George Sydenham Clarke, who, although a soldier, has made a study of naval defence, also Admiral Cyprian Bridges, and some of our own naval officers, consider that, though the submarine may prove to be the most effective instrument in the future, its superiority has not been demonstrated as yet, our intention is to adopt this type of defence, if possible. So far as I could judge from the members of the Admiralty, from their officers, and from criticism in London, the main opinion of what might be termed the younger generation is almost entirely in its favour. We cannot shut our eyes to the fact that every powerful maritime nation to-day is largely adding to the number of its submarines. None of them have abandoned their experiments or reduced their numbers, though it may be admitted, and is perfectly true, that the submarine, as well as other vessels, is by no means perfected, and is undergoing frequent alterations. Though authorities differ, the submarine is admitted to be a most potent form of weapon if it were only because of its moral effect upon an attacking squadron. Having had an opportunity at Portsmouth of seeing these curious, porpoise-like vessels, as they approached, gradually submerging until nothing but the periscopes appeared above the surface, these too disappearing and leaving no trace of their movements, the spectacle was very convincing. Presently they returned to the surface. Now, seeing the facility with which they could cease to be visible, it became evident how demoralizing it must be to those in charge of battleships or cruisers to know that in their vicinity—where they do not know and cannot discover—there are enemies of insidious approach, capable of doing immense damage. Consequently, after the best consideration we could give to the matter, in face of admitted differences of opinion, it seems to us that for Australian harbour defence, and even for spaces immediately surrounding a harbour's mouth, in which hostile vessels would require to lie if they endeavoured to bottle up our shipping, the submarine is probably the best weapon. We have referred to submersibles, which honourable members, no doubt, are aware are larger vessels with two motive powers, one using coal or oil when the vessel is on the surface, and the other using electricity, or possibly petrol, when the vessel is below the surface. Though not as favoured as submarines, it is possible that they may prove to be even better suited to some of our ports, but that is a matter for detailed consideration. When I spoke recently of the strain to which seamen in modern vessels are always subjected, it is to be recollected that this is especially true of submarines and submersibles. The youngest, most gallant, and ablest officers of the Navy are selected for this service; immensely proud they are of their task, and never in the slightest degree afraid of the risks that it involves. But it must be recognised that the maintenance of submarines in an efficient condition means, as I have said, a change every three years or so in order to relieve the strain upon the crews and in order to improve their training. Consequently, if we have a land-locked navy, our submarines would possibly become unsuitable, because we could not rely upon the crews and officers being kept up to the highest state of efficiency. It is pointed out by Lord Tweedmouth that the higher ratings, even of the ordinary British seaman, take six years to gain, and that all officers serve eight years before they reach even the rank of lieutenant. Those employed on submarines in particular require a specially long and severe training. Honourable members will now perceive the purpose of the remarks which I made at the outset. The smallest vessels, and perhaps these more than all others, require crews of great skill and capacity, high scientific training as well as very great courage and resource, and yet it is upon these apparently that Australians in the first instance should rely. The best submarines are those at present known as the

same time, if you are not inclined to give us the help that we hope to have from you, we acknowledge our absolute obligation to defend the King's Dominions across the seas to the best of our ability.

That was a splendidly magnanimous attitude. It was in accordance with the axiom of the Prime Minister. As the logical outcome of that axiom His Majesty's Government frankly declared that, having the sole control of the affairs of the Empire, and the sole decision of peace or war, the whole responsibility for the defence of the Empire—irrespective of what we might give—was their care. Upon page 130, Lord Tweedmouth added—

We are quite ready to enter into any arrangement with the Colonies that may seem most suitable to them, and which may seem to bring advantage to the Navy, and advantage to the Colonies themselves.

Upon page 482, by way of interjection, he summed up the Ministerial position very accurately in the statement—

We shall be willing to take in kind what has been paid in the past in hard cash.

That is to say, they are now prepared to accept the proposal that we previously submitted for a contribution by Australia in kind—a contribution from her own and her own resources, instead of from our purse. But this broad statement, completely in harmony with the Prime Minister's declaration, was afterwards qualified by certain conditions imposed by Lord Tweedmouth. The consistency of these with the axiom of the head of the British Government is still to seek. We all keep on seeking until we find a constitutional means of Imperial co-operation. Upon page 129 he said, on behalf of the Admiralty, that what he invited us to do was—

to place confidence in the Board of Admiralty, and in the present Government, for the future safety of the country.

That is to say, we were to place confidence in the British Board of Admiralty and in the present British Government for the future safety of the country. Presumably meant more by the word "country" than the United Kingdom. He then proceeded to invite us to take some "leading part" in making more complete than it is at present the Naval Defence of the Empire. Afterwards he proceeded to the qualifications. He said—

The only reservation that the Admiralty desire to make is (1) that they claim to have the charge of the strategical questions which are necessarily involved in Naval Defence; (2) to hold the command of the Naval Forces of the country; (3) to arrange the distribution of the ships in the best possible manner to resist attacks, and to defend the Empire at large.

These three very important conditions were followed by the statement that the British Government were responsible for the defence of the Empire, that they invited us to help them in that defence, but only on the terms mentioned. Again, he said—

I want to claim first your help, and, second, authority to manage this great service without restraint.

Upon page 130 he remarked—

So long as the possession of unity of command and direction of the Fleet is maintained they—

managing the British Government—

are ready to consider a modification of the existing arrangements to meet the views of the various Colonies.

Once more he said—

The distribution of the Fleet must be determined by strategical requirements of which the Admiralty is the judge.

On page 148 he urged—

Then there is a point which has been alluded to more than once by speakers, and that is the question of the distribution of ships. At this

is speed, when that is lost the efficiency of even large coastal destroyers is much to be doubted. But probably by the time we are able to undertake them, there may be further developments, which will remove some of the apprehensions entertained at present. Even in ocean-going destroyers, as they are called, there is also a division of opinion. It will be necessary to obtain our first submarines and coastal destroyers from Great Britain, but if the general offers we have already received prove upon examination to be satisfactory, there are prospects that some, if not all, of those needed in the second or third years may be locally built, even if certain special parts are allowed to be imported. The policy of the Government is to build as many as possible here, since the vessels, whether originally imported or not, will require to be repaired and refitted in Australia. Behind the vessels, which would form a harbour and, to a certain extent, a coastal defence in our three years' proposal, the Government, having obtained, in May, 1906, from the Imperial Defence Committee, a report which deals with lights and armaments for the shore forts, have adopted its general principles and are applying them. The new armament recommended is that of the 6-inch mark VII. breech-loading guns, which, together with mountings and works, will cost £162,000 when complete. The new electric lights, engines, and works will cost nearly £23,000. The ammunition—with the requisite reserves and supplies—will cost £107,000. We are devoting £50,000 this year, and propose, so far as we have responsibility, to continue that sum each year, until our fixed defences are brought up to this standard. They will probably take between five and six years to complete, by which time we shall efficiently light practically every port in Australia, and have their armaments of such a character as to render most material assistance to our naval defence, in offering a determined resistance to any cruisers we are likely to see in these waters. A large invasion is not expected, but we must be prepared for sudden raids. When we have obtained another model we have every reason to believe that the carriages for these guns can be made in Australia. Plans and specifications are being obtained, and we shall soon be prepared to call for tenders. The total expenditure proposed for guns, mountings, and works, lights, engines, and ammunition, is £292,000, or say, £300,000. All my figures, honourable members will notice, are in round numbers. I have them given here in detail, but the alterations are so constant that in estimates for the future they can only be taken as approximations in every case.

MR. WILKS: Those are not your own calculations, are they?

MR. DEAKIN: Heaven forbid! A specific acknowledgment ought to be made of the fact that practically the whole of the material I am now using has been prepared by the indefatigable energy and perseverance of my colleague, the Minister of Defence. It pleases him to affect, in Parliament and elsewhere, to treat his responsibilities lightly; but, although, in the State and here, I have been in several Ministries, I have never had a colleague more thoroughly devoted to his work, or who has given more time and ability to the conduct of his Department. At present our Naval Force is inconsiderable in numbers, and relatively inconsiderable in cost. We are fortunate in having several very excellent officers at the head of affairs, who have done us good service, and whose work is not to be forgotten. They will be associated, while they are serviceable, with any scheme which we propose. We have also a number of men of excellent physique, character, and service, and, so far as they can maintain their efficiency, they will be retained. If our offer to the Admiralty of a thousand Australian seamen is not accepted, we shall have to find some other means of training those who have the taste or disposition for sea life. Owing chiefly to the exertions of philanthropic gentlemen, there are in Australia to-day a number of bodies of naval cadets of a promising character: Some of them consist of very young boys, but really the display they make, their efficiency and grasp of their duties, their management of a boat and guns, and their drill, are excellent, as I have had an opportunity of knowing from personal observation. We propose to extend that system very largely. We find it an admirable antidote to the temptations of street life to boys of a certain age. It gives them a manlier character, discipline, and loyalty, which prove of the greatest value afterwards. In that respect, among many others, we believe that we shall be doing good service, outside the cause of defence, in enabling a very much larger number of boys to be trained for sea life, or for any active employment of head and hand. Considerations of time alone compel me to proceed to our other branches of our defence. After we have considered harbour and coastal defence and naval possibilities—I have already made reference to the forts—we come to those who man the forts—the

ry coast, to have fleets commanding great areas, consisting of the most powerful vessels, expeditious, and heavily armed, which, when concentrated, are enabled to operate at any particular point with greater effect than was ever attempted before. It is a transformation, as I understand it, of the system of naval strategy which has a great deal of importance for us. There was foreshadowed, in 1903, a sphere of operations for the Australian Squadron enlarged by the addition of the India and China seas. We now know that the fleet usually in Australian waters would be centred in time of war in accordance with the policy of concentration. The ships of our squadron would be united with the best ships of the India and China Squadrons, and they, operating together, would become responsible for any operations anywhere in those three seas. When the first Agreement was sought to be made, in 1881, and was afterwards made in 1887, with the separate Australian squadrons, there was a demand by Australia for the protection of our local shipping by a special fleet, which, though Imperial, was to be in part paid for by us, and was allotted to our coast. That consideration largely disappeared under the Agreement of 1902, and would now, in accordance with present views, disappear altogether. What the Admiralty desire here, in accordance with their policy, is to concentrate the three squadrons in the three Eastern Seas in time of peace. Instead of waiting for those three squadrons to join after a declaration of war, the policy is to unite them and keep them together beforehand. I have here a rough summary of the views which I ventured to express in London outside the Conference, adding the views of the British Government and of the Admiralty in regard to their present squadrons, including the Australian Fleet. The situation from their point of view is described in order to prepare the way for a new Agreement which would satisfy the Admiralty as well as the people of the Commonwealth. I said that according to high authority the present subsidized Australian Squadron ought not to be continued, its best ships should be removed and united with those of the Indian and China Squadrons in one joint Eastern Fleet of powerful vessels. If war broke out this would be done at once now, under the Agreement, so that the concentrated naval force in these seas might be brought to bear upon our foe, wherever he might be found; on our coasts, off Japan, or off Colombo. Consequently, sooner our present squadron can be merged in this joint Eastern Squadron in time of peace, so as to be ready for war, the better from the Admiralty point of view. The £240,000 subsidy paid by Australia and New Zealand does not compensate the Admiralty for its severance in time of peace from the other two squadrons now existing. It would pay the Admiralty to forgo the subsidy and to place its best ships in a squadron, free from the limitations imposed by the Australasian Agreement of 1903. While that bargain holds the striking force of the Navy in the East is impaired instead of increased. In the interests of the Empire the Agreement ought to be cancelled, according to the new view, as soon as possible. In the interests of Australia, if they can be considered alone, the same course is necessary. The best defence of this country on the high seas surrounding it can be secured by a joint Eastern Squadron of powerful ships operating wherever necessary. Both the Empire and Australia are therefore losing instead of gaining by the present Agreement. If the three existing squadrons were consolidated so as their most powerful cruisers were concerned, the rest of the ships now on the Australian station would be left as at present, quite apart from any Agreement. They would patrol the Pacific, conduct surveys, and make their present rounds as they do now. Their base would be in Sydney, where they would use all the accommodation they now possess. They would be seen there and elsewhere on our coasts on occasion required. In addition, the new concentrated squadron would visit Australia say once a year in order that its capitals, which are all on the seaboard, might be kept in touch with the British Navy. This would be the order of things if the Agreement was cancelled, and without any new Agreement being required. Under these circumstances the Commonwealth would devote itself to the defence of its harbours and coasts. It would spend the sums advised by the Committee on Imperial Defence in protecting our harbours by shore works. It would, in addition, add local floating defences. Many authorities strongly urge submarines at each principal port; two at least in Sydney and Melbourne, and one at each of the other capitals, together with some swift ocean-going destroyers capable of patrolling our coasts. Pending the building of the latter perhaps the Admiralty should give us a couple of the best cruisers of the "P" class that they are laying aside in the course of their reorganization. We could man these for the time being with Australians now engaged in the squadron, if they were spared to us for a fixed

sarily implies for that number. Numerically our force is too weak, and financially it is too expensive. It consists largely of married men, who ought to be in the second and not in the first line. It includes a number of men who, though they can stand ordinary parade, are obviously unfit for campaigning; many of the members of the rifle clubs are grey-beards. After our experience it is now plain that no system can meet our necessities except one that appeals to the people as a whole—that calls upon them in the name of citizenship. We are a free people, with political equality and sole authority in a country where all have the opportunity to possess homes of their own. Our position as free men in a free country casts on all the responsibility of undertaking our own defence. Of course, it is recognised that the withdrawal of men in the prime of life, at a time when they are engaged in vocations, and have families depending on them, would be a very serious matter; and the proposals of the Government take this into account. We propose a system of universal training, in order to form a National Guard of Defence, in which every young man in the Commonwealth shall be required to serve during his nineteenth, twentieth, and twenty-first years. This gives us a small fraction of his early manhood, when he is best capable of receiving the benefit and standing the strain of military training. Each young man will be called upon to spend an average of sixteen days per year, not in drill-rooms or on parade-grounds, but in local camps, devoted wholly and solely to continuous practical instruction. By this means it is believed that within three years we shall have in the Commonwealth a body of men sufficiently officered and capable of performing the services which Australia will require from her defenders. Whether they will attain the standard of European nations in regard to the minutiae of deportment or parade, or the precision of their movements, I do not know. But what we do know of our countrymen entitles us to feel well assured that at the end of that period they will suffice in all that is material. In a country of great distances like our own, with whose characteristics they are familiar—and with which we shall shortly be thoroughly well informed upon probable points of attack—they will be able to render a good account of themselves, and probably have an advantage over even the best trained troops of Europe, owing to the local conditions under which any conflicts are likely to be waged.

MR. SALMON: The training would not be limited to forty-eight days in three years?

MR. DEAKIN: That is the minimum of training for infantry men, but not for officers, artillery, or cavalry. Even on that basis, the cost will be crushing unless the trappings of war are replaced by a Spartan simplicity of uniform and habit, in harmony with the political principles on which our Government is based and our social life is shaped. We have kept closely in mind throughout, the democratic system of military organisation in Switzerland, very lucidly described this year by two of our officers, first in the Australian press by Lieutenant-Colonel Reay, and next fully reported upon officially by Colonel Bridges. More lately it has been investigated by a Select Committee from the Mother Country. The testimony of all is highly favourable to the results attained by a similar system under absolutely different physical conditions and territorial limitations. The proposals of the Government will, it is calculated, give an establishment of at least 83,000, always in training, supplemented each year by about 30,000 men, an equal number passing into the reserve. In the eighth year, this will mean over 214,000 men available, with full provision for arms, ammunition, and equipment for field artillery and cavalry, organised for service within the Commonwealth. The total cost of this is estimated at less than £250,000 more than is at present expended; whereas a Militia Force half as strong would, on our present basis, cost twice as much, if we could obtain the men. I give the estimated cost without reckoning any dues which this Parliament, on consideration, might see fit to attach to those who for one reason or another do not serve their proper period, making exceptions, of course, of those who for physical or other reasons are unfit to be enrolled. The period for which we make financial estimates is three years, as in the case of our naval proposals. I have alluded at present only to the National Guard and its national training. Beyond this, however, it is proposed to greatly enlarge the cadet system by the expenditure of at least an additional £20,000 a year for each of the three years, and to increase the expenditure on the rifle clubs by at least £10,000 each year over the same period. By this means we shall have a very considerable subsidiary force in the cadets and rifle clubs; I shall presently refer to the latter in another aspect. In

Navy, to continue their training elsewhere. This would keep them, while here, up to a standard of efficiency equal at least to that required everywhere in the Royal Navy. They would remain members of that Navy in every sense, recruited and serving under its laws. Their services in our ships would count in the same fashion as upon similar vessels in the Navy. They would be regularly inspected here by the Admiral or his deputies, and be subject to naval discipline and to all the penalties and privileges associated with such discipline. Australia would pay them, while they were on this station, at Australian rates of pay, though of course they would accept the usual deductions necessary to continue their title to share in the Royal Navy Pensions Fund. Preference would be given wherever possible in our vessels to Australian officers and seamen at every opportunity that occurred. Our ships would fly the White Ensign with the Southern Cross, and be altogether Australian in cost and in political control, as to their movements and stations. In everything else, they would be part of the British Navy, the officers and men being simply seconded for fixed terms for service under our general control; but in every other respect indistinguishable from the men in the Imperial squadrons here or elsewhere. In time of war, they would almost certainly be placed by the Commonwealth Government of the day directly under the Admiral commanding the Eastern Squadron, since he would be the highest naval authority in this part of the world. I doubted in London, and still continue to doubt, if any conditions would be imposed upon this transfer at such a time, but it must be clearly understood that the decision on these points must rest absolutely in the hands of the responsible Government of Australia when the emergency arises. We want the most effective ships and the most efficient men we can get here, with ample prospects of advancement to the latter when they merit it. We also want a flexible relation, as intimate as possible, between our Government and the Admiralty, which shall encourage the development of our local defence to the fullest extent, and in such a form as to supplement to the best advantage the Imperial Navy in our hemisphere. I took the opportunity, on my own personal responsibility, of pressing that upon the Admiralty and upon the British Government as, at all events, one means by which our flotilla might be kept entirely up to date, its Australian character maintained, and the control of the Commonwealth Government asserted. Under this plan we should procure, by the expenditure of the same amount of money, a far more efficient, active, and progressive service than we could hope to do with a navy in a back water—a service solely our own, and limited by our exchequer. It would then be practically a branch of the British fleet, though under the Commonwealth so far as political control was concerned.

Mr. BOWDEN: There would be divided control in time of war.

Mr. DEAKIN: No; the whole control would be in the Commonwealth, but if in a time of danger it chose to place its flotilla under the command of the Admiral on this station—and in the event of operations here I should say that, in almost every circumstance one can imagine, that would probably be the case—it would then pass wholly under his control for the time being.

Colonel FOXTON: But if it did not choose to do so?

Mr. DEAKIN: Parliament would retain the whole control.

Colonel FOXTON: We would have this anomaly, that there would be men and officers of the Royal Navy practically unable to serve therein.

Mr. DEAKIN: Not so, and why? Because, instead of being taken from the Royal Navy, our squadron would be an addition to the Royal Navy, and would not take anything from that Royal Navy even if not added to it. It would, perhaps, be less effectively employed apart, but, whatever it did, would help the British Squadron and assist to protect this part of the Empire. The Royal Navy could lose nothing by the existence of a special force, created and maintained at our expense and not at that of the British taxpayer. So far as one can judge, almost under any conceivable conditions, the Government of the Commonwealth would feel that its safety was best served by placing those ships under the control of the highest naval expert in these seas.

Colonel FOXTON: Almost certainly, I should think.

Mr. DEAKIN: I should say so; but, after all, the Government's responsibility is to their people, and the Government must be answerable only to them directly. To part with its control altogether would be to part with the Australian character of this local flotilla, which is one of the elements that we hope to use for the development of the maritime spirit in this part of the world. By its means we can make

annually. The waggons and limbers are now being successfully manufactured within the Commonwealth. Artillery ranges are to be secured, on which our gunners will have the advantage of practising with missiles under something approaching service conditions. The British Government have gone to enormous expense to supply these ranges in the United Kingdom. Their acquisition will demand some expenditure, even in this country with its very much larger and cheaper areas; but these ranges are absolutely essential to an efficient field artillery. The gun carriages for the 6.7-inch guns are to be locally made. We attach great importance to the creation of the utmost power of resistance locally, both as to war materials and men. We are at the very beginning of a period of development which I trust will be as thorough and complete as that of Japan. In order to provide against the emergencies of war, it will be necessary to establish an ammunition factory. This means a cordite factory by way of basis. If we can obtain orders for the supply of the Imperial Squadron in Australian waters, it would be of material assistance to us. If we can dispose of an output of 100 tons per year, we can save 3d. per lb. at present prices upon all the cordite that we use. On the other hand, if we can only sell 50 tons a year, we shall have to pay 5d. per lb. more for it. The caps and the fulminate will be made in the same factory as the cordite. The manufacture of cases at a rolling mill is also under consideration. My colleague, the Minister of Defence, has an elaborate proposal to lay before the House in this regard. I am sure that, from the information which has been supplied to us by Mr. Hake, the very capable Inspector of Explosives in Victoria, who recently visited the Mother Country to put himself in touch with the latest developments of this industry, he will be able to satisfy honourable members that it is desirable to establish a cordite factory. I have great pleasure in laying upon the Table of the House the report of the result of his investigations in the United Kingdom and elsewhere, and hope that it will prove interesting reading to honourable members. The Minister will be able to show that the establishment of a cordite factory is economically sound. Failing a supply of ammunition, even with 200,000 men available for service, what could be expected of them? I have shown how comparatively slight an increase there will be in the expenditure proposed under this great scheme, and I have also shown that a large portion of it will be expended in this country. Then we come to one of the most serious matters in connexion with this scheme. That is, the provision of a sufficient number of well-trained officers, because the theory of this force is that the officers are to train their men. The clerical duties at present performed by officers are to be done in future by clerks. We want our soldiers for soldiers' service, not for indoor work. But in order to obtain efficient soldiers a staff of officers must first be efficiently trained; and as we cannot pretend in this Commonwealth to establish a military college in every State, we propose to establish a school of permanent expert instructors. This would consist of three specialists—one whose subjects will be strategy, tactics, and military history; a second, whose subjects will be artillery, field and garrison, and machine guns and theory of musketry; and a third, whose subjects will be engineering in all its branches and topography. These experts, whom we think we can obtain at an estimated cost of £5,000 a year, will travel from State to State at appropriate times, meeting the officers in every State, lecturing to them, and examining them in the subjects which they have been studying.

MR. KING O'MALLEY: Is it proposed to include dancing?

MR. DEAKIN: We will leave that to the enemy when our troops meet him! For this movable college we shall secure the services of three of the best men available. They will be paid good salaries, and engaged only for such terms as will enable us to exchange them from time to time as military science is perfected. We hope to have our officers trained so that they will be able to impart to those below them the practical knowledge which they have acquired. They will be well instructed in peace, and will lead in war, and fill all commands in the Australian Forces. Of course, it must be remembered that in addition to this we have proceeding, and propose to continue, the temporary exchanges of officers with the Mother Country, with India, with Canada, and with South Africa. That system is likely to prove of great value to us. We are taking every advantage of it. Last year my colleague the Minister of Defence sent seven officers and non-commissioned officers abroad for training. This year he is sending eleven. We shall probably increase the number. We have applied to the Government of India for permission to send more officers there to participate in their military exercises, join their camps, and witness the

Colonel FOXTON: Do not the Straits Settlements contribute anything to the British Navy?

Mr. DEAKIN: A small amount is contributed, but that is a Crown Colony, and I am dealing with self-governing Colonies. At the present time, the Admiralty have consented to compound, so to speak, the contribution which has been made by Natal hitherto, and propose to compound that made by Cape Colony, accepting instead of cash a naval militia, drilled on a vessel which is to be provided by them, and also on certain submarines and destroyers, to be built and manned locally, at the expense of the Colony. Under what control they are to be placed I am not informed. It is in pursuance of our proposal that we should contribute in kind, instead of in cash, for the further term which our Naval Agreement has to run, and that it should be amended to that end, that since returning from London, having been in communication with the Admiralty, unofficially, since August last, and officially since September last, about the 23rd September I sent the following cablegram:—

"In pursuance of my conversation, Tweedmouth and the Admiralty in London, and Ewing's conversation with Your Excellency, please telegraph to Admiralty inquiring whether following proposals, approved for amendments in Naval Agreement, substituting for present Commonwealth subsidy—

that is £200,000 a year—

offer one thousand seamen, Australians, if possible, to be paid by Commonwealth for service in Navy on this Station, estimated cost of about £100,000 to Commonwealth per annum, remainder of present subsidy to be applied by Commonwealth to submarines or destroyers, or similar local defences, as suggested London Conference. Two cruisers, "P" or superior, manned by 400 of the 1,000 Australians, to be retained Australian coast, peace or war. Loan of two "P" cruisers or superior, to be maintained by Commonwealth for training local Naval Militia, at estimated cost to Commonwealth of £60,000 per annum. This proposed amendment is in addition to Commonwealth vote this year—£250,000 for naval, harbour, and coast defence, and £50,000 for fortification harbours."

That is a proposal by which, in the opinion of this Government, we could make a contribution not open to the objections raised to the present Agreement, for it would be a contribution of men instead of money. In letting our contribution take that form, we should be considering our own interests as well as those of the Navy. The experience our men would gain upon ships of the Royal Navy would admirably qualify them for manning any ships that might be built and controlled by the Commonwealth. It would also provide for their receiving the most up-to-date training. Of the 1,000 Australian seamen whom we had hoped by this means to have stationed on our coast 400 would man two cruisers stationed on our coasts. The "P" cruisers, I may say, are regarded as going out of date. Still these two cruisers manned by 400 Australians, and the other two manned by our naval militia, would at all events bridge the gulf between the present time and the season, not too distant, when the Commonwealth will probably have ships on which to place them. This contribution would develop the naval strength of Australia, relieve the Admiralty of the cost of 1,000 seamen, and be one which, I should have thought, they would be glad to accept, and which we might be proud to tender.

Mr. WILKS: It is men that they mostly need.

Mr. DEAKIN: Not in other parts of the world. They have six offering for every one they are able to take. The Royal Navy has the pick of British seamen. We have to remember, however, that ours is a remote station, and that crews have to be sent at considerable expense over long distances for three years' service. That being so, the contribution of 1,000 Australians would afford material relief to the Admiralty, and be a substantial support to the Squadron. Our despatch of 16th October, 1907, which summarises the history of the negotiations to date, reads as follows:—

MY LORD, Prime Minister, Melbourne, 16th October, 1907.

I HAVE the honour to request that Your Excellency will communicate with the Secretary of State for the Colonies, inviting him to refer the Admiralty to my despatch of the 23th August, 1905, of which, for greater

by the highest forms of teaching. Special attention is to be given to staff rides and local experience, the operations being in the nature of actual service in the field. What we desire to reduce is the slow shooting at fixed targets under conditions which never obtain in actual warfare. In the same way, we want to substitute for parade drill, marching and evolutions in difficult and broken country, so that our troops may know how to use it, and so as to enable the higher officers to control together artillery, cavalry, and infantry over country known only by maps or reconnaissance. How many of our present officers have been tested in this way? I know some of the best of them who have been thoroughly disheartened for want of opportunities of the kind which they have long been seeking. We have already taken the fullest advantage of the lectures of Colonel Foster, Professor of Military Science in the University of Sydney. He has done in this direction most admirable work, he is doing it still, and for his assistance we are most grateful. Arrangements are being made for specially selected militia officers to take advantage of his course of lectures, and a special course has just been completed to meet the wishes of militia officers who were not able to participate in the previous classes. That shows how the spirit to which we wish to appeal—the spirit of individual interest, individual initiative and pride in the service of the country may be spread. One of the many important features of the Conference in London was the scheme which Mr. Haldane, as head of the British Army, laid before us, when he invited us to send our officers to the General Staff, there to be received as comrades, to be shown the whole of the operations of what is often termed the brain of the Army, to be tried by being placed in positions of command, and to have thrown open to them for their benefit everything that was being done. That was a most generous offer. In the same way, we hope to establish a General Staff of our own to which the British Government will send its officers to observe what we are doing, to learn something of operations in vast areas of sparsely settled country which they cannot expect to find in Europe, and also to give us the benefit of their knowledge and advice. It is by keeping in touch with the Army, as well as with the Navy, that we hope to keep up the standard, the spirit, and the efficiency to which the honourable member for Laanecoorie has been alluding. Their officers will inspect and report on us, our officers will inspect and report on the Canadian Force, the South African Force, and the Indian Force. By that means we hope to materially benefit. An Intelligence Corps has just been formed, which will prepare the plans, statistics, and general information required for operations in any part of the Commonwealth. They will utilise militia officers and citizens, such as surveyors and engineers, who will bring to the aid of the Department the experience and knowledge gained in their ordinary vocations. Their work will be topography, preparation of maps, and information with regard to the country generally, transport, and other matters of imperative importance. They will take up the duties that were intended to be performed by the corps of guides which originated through the representations made by Colonel Kenneth Mackay, of New South Wales, and Colonel Miller, of the Commonwealth service. We attach the greatest importance to the work that will be done by this Intelligence Department, but in particular to the work that will be done with the Intelligence Department by the General Staff. We believe that the country will not hesitate to offer strong inducements to secure suitable men. In regard to central administration, the present Administrative Board is to be augmented by the addition of two or three experienced militia officers, to be appointed for limited periods, the *personnel* altering possibly by one each year. They will then feel that their knowledge is being utilised, and will be encouraged to extend it. It will create a better feeling between the various branches of the service, and will be valuable to militia officers, who can then learn the difficulties that surround central administration, of which at present they have least appreciation. A medical reserve is being established in which large additions will be made to those who are at present enrolled. In this regard many medical men, medical students, chemists, and citizens willing to be connected with the Ambulance Corps are ready to assist by undergoing the necessary training if an opportunity is given. These and similar opportunities will now be multiplied, to a larger extent, under our new system. When we have established a thoroughly citizen force, it will remain for the Parliament to recognise the service rendered. We believe that after the system is fully in operation, both Commonwealth and the States may be fairly asked to give precedence to men who have done service in the ranks—all must do that—who have done it well with energy and ability. A National Guard's Record ought to be a passport to advancement if in other respects he is well fitted. It is also proposed that after

to naval defence, or at least a complete outline of them, will be submitted for their consideration. The matter is therefore urgent, and it was hoped that some general indication of approval by the Admiralty of the principles of the proposal forwarded, perhaps coupled with criticisms of some portion of it, might have been given by cable. The suggestions were made in the same spirit as that which inspired the despatch of August, 1905, and were intended as a groundwork which might become the basis of a formal proposal to be conveyed by despatch.

8. I am writing this now expecting that it will reach England in time to be considered in connexion with the cable message from the Admiral, and for the purpose of supporting the proposals therein made. These have been evolved, and are now put forward in the belief that they will form a means of promoting and enlarging that national co-operation and fostering that stronger sense of mutual support alluded to in my former despatch.

9. That communication concluded with a statement that the very life of the Empire depends on the Navy, and pointed out the necessity for taking every step possible to increase our maritime strength to enable us to meet all emergencies that International difficulties may create. That opinion becomes more deeply rooted in view of the consistent efforts of rival foreign Powers to increase their influence. It is the conviction of Ministers that our proposed expenditure on defensive craft, which, while satisfying the desire for a visible and ever-present means of immediate protection, would yet be capable of effective employment in co-operation with His Majesty's largest ships upon our coasts, would materially foster the desire among our people for a sea career, and so increase our maritime resources in a direction in which improvement is greatly needed.

10. I shall be glad if Your Excellency will request that this communication be forwarded to the Admiralty without delay, and will commend it to their immediate and favourable consideration.

11. If the scheme suggested is approved, some amendment will be necessary in the Naval Agreement of 1902 which forms the schedule to our Naval Agreement Act of 1903. Article VIII. will require to be recast, and some minor alterations made in Articles V. and VII., and, perhaps, XII., but the precise form can be settled later.

12. Perhaps the Secretary of State will suggest to the Admiralty that they should submit a draft of any amendments necessary to give effect to the foregoing proposals.

I have, &c.,
ALFRED DEAKIN.

Governor-General His Excellency
The Right Honourable
Lord Northcote, G.C.M.G., G.C.I.E., &c.

at despatch was followed by certain unimportant cablegrams, and ultimately the following cabled reply to our offer from the Lords of the Admiralty:—

Referring to your telegram of 6th December, Lords Commissioners of the Admiralty point out that scheme proposed in your despatch, No. 249, goes beyond general undertaking arrived at during Conference. After full consideration, they regret that they cannot accept these proposals as they stand as basis of new agreement in substitution for Naval Agreement.

They adhere to the position taken up at Conference, that while they did not themselves propose to cancel the existing agreement, they were prepared to co-operate with the Colonial Governments if any alteration was desired by them, but so long as the existing Agreement is not cancelled, the Admiralty is precluded from making the necessary strategical disposition of Naval Forces, and, therefore, the first condition of any new arrangement must be the cancellation of the Agreement.

er what I have said as to the present policy of concentration that is readily intelligible to honourable members.

Mr. HUME COOK: Any new arrangement would have to be by mutual consent.
Mr. DEAKIN: Certainly. Then they proceed:—

The Admiralty fear that they are not in position now to express opinion on the details of the scheme, which have not been yet put forward in sufficient detail to form basis of a new agreement. Your Premier appeared at Con-

by the highest forms of teaching. Special attention is to be given to staff rides and local experience, the operations being in the nature of actual service in the field. What we desire to reduce is the slow shooting at fixed targets under conditions which never obtain in actual warfare. In the same way, we want to substitute for parade drill, marching and evolutions in difficult and broken country, so that our troops may know how to use it, and so as to enable the higher officers to control together artillery, cavalry, and infantry over country known only by maps or reconnaissance. How many of our present officers have been tested in this way? I know some of the best of them who have been thoroughly disheartened for want of opportunities of the kind which they have long been seeking. We have already taken the fullest advantage of the lectures of Colonel Foster, Professor of Military Science in the University of Sydney. He has done in this direction most admirable work, he is doing it still, and for his assistance we are most grateful. Arrangements are being made for specially selected militia officers to take advantage of his course of lectures, and a special course has just been completed to meet the wishes of militia officers who were not able to participate in the previous classes. That shows how the spirit to which we wish to appeal—the spirit of individual interest, individual initiative and pride in the service of the country may be spread. One of the many important features of the Conference in London was the scheme which Mr. Haldane, as head of the British Army, laid before us, when he invited us to send our officers to the General Staff, there to be received as comrades, to be shown the whole of the operations of what is often termed the brain of the Army, to be tried by being placed in positions of command, and to have thrown open to them for their benefit everything that was being done. That was a most generous offer. In the same way, we hope to establish a General Staff of our own to which the British Government will send its officers to observe what we are doing, to learn something of operations in vast areas of sparsely settled country which they cannot expect to find in Europe, and also to give us the benefit of their knowledge and advice. It is by keeping in touch with the Army, as well as with the Navy, that we hope to keep up the standard, the spirit, and the efficiency to which the honourable member for Laanecoorie has been alluding. Their officers will inspect and report on us, our officers will inspect and report on the Canadian Force, the South African Force, and the Indian Force. By that means we hope to materially benefit. An Intelligence Corps has just been formed, which will prepare the plans, statistics, and general information required for operations in any part of the Commonwealth. They will utilise militia officers and citizens, such as surveyors and engineers, who will bring to the aid of the Department the experience and knowledge gained in their ordinary vocations. Their work will be topography, preparation of maps, and information with regard to the country generally, transport, and other matters of imperative importance. They will take up the duties that were intended to be performed by the corps of guides which originated through the representations made by Colonel Kenneth Mackay, of New South Wales, and Colonel Miller, of the Commonwealth service. We attach the greatest importance to the work that will be done by this Intelligence Department, but in particular to the work that will be done with the Intelligence Department by the General Staff. We believe that the country will not hesitate to offer strong inducements to secure suitable men. In regard to central administration, the present Administrative Board is to be augmented by the addition of two or three experienced militia officers, to be appointed for limited periods, the *personnel* altering possibly by one each year. They will then feel that their knowledge is being utilised, and will be encouraged to extend it. It will create a better feeling between the various branches of the service, and will be valuable to militia officers, who can then learn the difficulties that surround central administration, of which at present they have least appreciation. A medical reserve is being established in which large additions will be made to those who are at present enrolled. In this regard many medical men, medical students, chemists, and citizens willing to be connected with the Ambulance Corps are ready to assist by undergoing the necessary training if an opportunity is given. These and similar opportunities will now be multiplied, to a larger extent, under our new system. When we have established a thoroughly citizen force, it will remain for the Parliament to recognise the service rendered. We believe that after the system is fully in operation, both Commonwealth and the States may be fairly asked to give precedence to men who have done service in the ranks—all must do that—who have done it well with energy and ability. A National Guard's Record ought to be a passport to advancement if in other respects he is well fitted. It is also proposed that after

rds and their advisers. Hoping to have met the House with a complete agreement, under the circumstances it appeared advisable to take honourable members freely into our confidence, and I have therefore informed them of the whole of the special communications to date. This is one of the questions which will require to be carefully pondered before our reassembling, when we shall proceed to deal with the Ministerial proposal for a vote of £250,000 towards building, maintaining, and manning a small flotilla of our own. The Admiralty is apparently endeavouring to insist upon exercising its authority in time of war to distribute its vessels where it pleases. I do not deny that it might be a wise thing for our flotilla to be attached to the concentrated British Fleet on these seas, and even to proceed with it to a considerable distance from our coast to cope with the enemy. The modern naval doctrine appears to be Napoleonic—that you should always be in greater force than your enemy at the particular point of attack. I do not dispute that this might be the wisest tactic, and am far from doubting the fitness of the Admiral of the station to advise the Government of the Commonwealth in time of war upon the disposal of these vessels. On the professional side, I offer no opinion. What I contend for is a constitutional, not a naval, principle. Even a desirable thing loses much of its desirableness when an attempt is made to force it on a self-governing community, denying the right to choose its own path, and accept the consequences. It will be dangerous for the Admiralty to insist on a supremacy which, if misadventure befell, would place the whole responsibility upon them. The Government of the Commonwealth, representing the Australian people, is entitled in this, as in every other matter, to speak and act for them. I have indicated how in my opinion it would weigh its responsibilities, it must do what it believes best in the interests of the people. From this principle there can be no departure. I now turn to the proposals for expenditure on what I will term, for the sake of distinction, our local naval force. I had occasion in London to object, and wish now to object, to the sense in which those words are often construed. I maintained at both Conferences, in 1887, when representing only Victoria, and in 1907, when I had the honour to represent the Commonwealth, that accepting the doctrine that the Empire is one which is the only true foundation for Imperial sentiment—we must recognise that all the means of defending any part of it are Imperial. Ships protecting the Australian coast are as much Imperial as any that are protecting the Mother Country, and the naval force under the Union Jack and Southern Cross that beats a hostile Power in the Australian seas is as much Imperial as any under the Union Jack alone. Although “local defence” properly defines craft which cannot be sent long distances, and therefore operate always within a certain radius, to the full extent of its efficiency, it is Imperial as well. In speaking of our local defence, I speak of vessels whose sphere is practically limited to Australian waters. These will be engaged in the defence of the Empire just as much as if they fought at the mouth of the Thames. Those who hear me will remember how Lord Tweedmouth alludes to the value of such a flotilla. It would be, he said, “of great assistance,” of “much help,” of “enormous advantage.” Local defence is Imperial defence at a particular spot, but none the less Imperial on that account. With vessels built for, and presently, I hope, built by, Australians, manned by Australians, trained and kept up to the Royal Navy standard, we shall be gratifying Australian aspirations, while making the most real contribution to the defence of the Empire. In providing that part of our defence which will be absolutely under our own control, it appears to me reasonable to proceed from the ports and shores outwards. We should commence by furnishing the naval defence necessary or advisable to supplement our shore defences, and having provided for the harbours, establish a zone round them which would permit free exit and entrance of vessels in times of war. Hereafter we shall also provide other and more powerful vessels for coastal defence. It seems a reasonable thing to begin at our centres. Most of our great cities are on or near the coast. We have a large and valuable commerce, inter-State as well as oversea, which requires to be taken into consideration. Local naval defence demands vessels and men. After what I said at the outset, honourable members will sufficiently realize that those vessels, even though they may be small, carrying comparatively small crews, will be extremely commanded, and highly specialized, needing highly expert seamen. These will have to be picked as they are picked in the Imperial Navy. Men in their prime, chosen for their capacity, and subjected to thorough training will be required. In 1887, when returning from the first Conference which I had the honour to attend, I

	1st year.	2nd year.	3rd year.	Estimates, 1907/8.
	£	£	£	£
Arms	100,000	75,000	75,000	106,433
Accoutrements, &c.	75,000	100,000	100,000	
Stores, general contingencies, &c.	32,000	28,000	24,000	36,226
Field Artillery, guns, and reserve ammunition.	50,000	50,000	50,000	—
Ammunition, reserve for rifles	30,000	30,000	30,000	—†
Works and buildings	29,000	29,000	29,000	59,000
Repairs, maintenance, and rents	26,000	21,000	16,000	31,668
Total	342,000	333,000	324,000	233,327
Grand Total, excluding Rifle Clubs and Cadets.	789,000	796,000	819,000	696,415

I intend to ask the House to order the printing of the memoranda I have read containing the despatch and cables to the Admiralty, Mr. Hake's report, and information relating to submarines. I promised to give the figures showing how the Military and Naval expenditure will work out.

GRAND TOTALS.

	This year's Appropriation.		Capital.		
			1st year.	2nd year.	3rd year.
	£		£	£	£
Military	1,033,359		1,097,000	1,021,000	1,074,000
Naval Agreement	200,000		200,000	200,000	200,000
Local Naval Forces	60,524		60,524	60,524	60,524
Presumed unexpended balance	1,293,883 125,950	New Naval Expenditure.	357,070	414,140	471,210
	1,419,833		1,714,594	1,695,624	1,605,734

Note *—Guns are included in arms.

Note †—See Note *, p. 26.

This table includes expenditure on cadets, rifle clubs, &c., and capital spent upon fixed defences, factories, and works. It will be seen that for this year the actual appropriation proposed is £1,300,000, although £125,000 has been deduced from the full cost, because it is not expected to be expended within the year.

MR. WILKS: That includes the Naval Subsidy, I suppose?

MR. DEAKIN: The total includes everything. During the present year the total expenditure will be £1,300,000. The first year under the new system of National Training will include a capital expenditure on the rifle factory and the ammunition factory, but the total expenditure for that year is not expected to much exceed £1,700,000. That is an increase of about £300,000 on what is provided for this year, or £400,000 on what is proposed to be spent during this year. Next year the total will drop a little below £1,700,000, and in the third year it is expected to fall to £1,600,000, any further capital expenditure not being included.

MR. WILKS: Will that expenditure be paid out of ordinary revenue?

MR. DEAKIN: It will. Consequently, as against the present year's proposed expenditure of £1,400,000, it means in the third year an increase of £200,000, or, allowing for the proportion of the amount on this year's Estimates that we do not expect to expend, it will mean an increase of £325,000. That being so, this scheme which covers both the naval and the military proposals of the Government, including the building of fifteen vessels, the cost of their maintenance, an immense increase in the land forces, an increase in the field artillery, and the expenditure upon fortifications, means, in the third year, according to the best estimates that we can frame, an increase of only £200,000 on our present annual expenditure. If this scheme can be accomplished for that cost as according to our professional advisers we have reason to believe it will be, I do not think the country, having regard to

C class. I have seen three classes, A, B, and C. The C class will probably in a short time be surpassed by the D class, now in prospect. The C class is at present the most modern submarine in Great Britain. We shall probably propose to the House, subject to a condition I will mention presently, that three of these should be purchased each year for three years, and that in addition to them two torpedo boat (coastal) destroyers the most up-to-date of their class should be built annually for three years. This would give us at the end of that period nine submarines and six torpedo boat (coastal) destroyers—fifteen small vessels in commission after the three years' programme is completed. Of course, these would be outside the Naval Agreement, and remain solely under Commonwealth control, although, as before stated, in my judgment they would be treated in the same way as any built under the new Agreement in time of war. The torpedo boat (coastal) destroyer is fitted with turbine engines, oil fuel, three torpedo tubes, and also carries two twelve-pounders. She would have a speed of twenty-six knots, and a complement of thirty-three men. The C class of submarines, whose details, as I have said, may be somewhat altered in the D class, would have an approximate speed on the surface of fourteen knots, with a speed when submerged of ten knots; two periscopes, and two propellers. The method of propulsion would be by electricity or petrol, they would be provided with two torpedo tubes, and would have a crew of sixteen. The first cost of a first-class torpedo boat (coastal) destroyer would be £42,000. Two therefore would cost £84,000, and there would be some expense connected with bringing them to Australia if they were brought from the other side of the world, about which I shall say something presently. A submarine costs £50,000, and £5,000 more to deliver in Australia. The total cost of each here would therefore be £55,000, and three would cost £165,000. The cost for the year of two first-class torpedo boat (coastal) destroyers and three submarines would amount to £249,000, or almost exactly the sum we propose to vote, leaving £1,000 towards the expense of bringing the torpedo boat (coastal) destroyers out to Australia. The cost for the upkeep of these little vessels may be far more than honourable members anticipate. The cost of oil, fuel, stores, and repairs of a first-class torpedo boat (coastal) destroyer would be £6,725. The wages for a complement of thirty-three men at naval rates, including a colonial allowance of 1s. a day, but without victualling, would amount to £4,500, leaving the total charge for the upkeep of these vessels nearly £12,000 a year. The cost in the case of submarines at naval rates of pay and our special allowance would be for each shore base of four men £570. For each submarine, double crews of sixteen each, £5,650, and for each small vessel or tug associated with them, with ten men, £1,180, or a total of £7,500. Then repairs, sea stores, petrol, and victualling would take £3,600, making a total of over £11,000 a year. I need not enter into details with respect to clothing, pensions, and so on. The total charge for upkeep, without the charge for the tug, would amount to about £57,000 for five vessels for the first year. The expenditure would rise to £114,000 for the second year, and to £171,000 when the third year's operations were completed. These figures are, at all events, sufficiently near for present purposes. The complete scheme would give us two submarines for New South Wales, two for Victoria, two for Queensland, one perhaps at Thursday Island, and one each for South Australia, Western Australia, and Tasmania, and one torpedo boat (coastal) destroyer for the chief harbour of each State. The probable period of usefulness of these vessels is reckoned at fifteen years, and allowing £50,000 a year, which would be one-fifteenth of the total cost, the annual outlay on completion of the present proposals would be £231,000, without including interest, say, £250,000 a year. Whether these precise vessels will be chosen will be determined partly by the association we are able to form with the Royal Navy through the Admiralty, and partly on the possibility that local advisers may suggest some change. We do not feel that it would be judicious to endeavour to look forward further than three years, but, following the principle to which I have already alluded, if after the three years the protective force be considered insufficient, probably it would then be wisest for us to acquire a torpedo destroyer, of a larger type than is at present current, or, at least, as large as the latest modern type, which would be capable of ocean-going coastal service. It must, however, always be remembered that in the heavy seas which frequently occur along the Australian coast the largest torpedo-boat destroyer that you could find would sometimes be rendered almost powerless for rapid and effective action, and that, as the great security for its own safety, if confronted with a vessel carrying heavy metal,

No. 12.

AUSTRALIA.

THE GOVERNOR-GENERAL to THE SECRETARY OF STATE.

(Received 25th January, 1908.)

[Answered by No. 17.]

MY LORD, Governor-General's Office, Melbourne, 24th December, 1907.
 I HAVE the honour to transmit, herewith, for the consideration of His Majesty's Government, copy of a despatch which I have received from my Prime Minister, on the subject of the naval defence of Australia.

I have, &c.,
 NORTHCOTE,
 Governor-General.

Enclosure in No. 12.

MY LORD, Prime Minister, Melbourne, 24th December, 1907.
 I HAVE the honour to inform Your Excellency that, in considering the new defence schemes of the Government, an outline of which was presented to Parliament on the 13th instant, your Ministers are of opinion that one of the most vital considerations is the maintenance of the personnel of an Australian flotilla in the highest attainable efficiency. Since the vessels owned by the Commonwealth must be few and small when compared with those of the Royal Navy, and the number of officers and men correspondingly limited, if our service were isolated their opportunities of promotion and for keeping themselves abreast of the latest naval development in tactics, mechanical appliances, and instruction, must be comparatively very restricted.

2. The present proposals now awaiting discussion aim at securing the same efficiency as that of the Royal Navy by manning the flotilla as far as possible with Australians, who will be to all intents and purposes members of that navy. It is desirable that a preference in Commonwealth ships should be arranged for those born or reared within its borders, providing they qualify for vacancies. All those engaged would, while serving here, receive the extra allowance at present paid to Australians in the squadron on this coast. They would be relieved and replaced regularly at the end of three years or other term fixed by the Admiralty for the crews of His Majesty's ships on the Station. They would follow the same courses of training under precisely the same conditions.

3. By the end of the first Commission it is hoped that a further body of seamen will have been recruited in Australia, so that the vessels of the flotilla might always contain a large proportion of Australians in their complements.

4. While in these seas they would be under officers of the same standing as those holding similar positions in the Royal Navy, and subject to disciplinary laws in all respects analogous to those to which they would be amenable while serving on His Majesty's ships in other parts of the world.

5. The crews of the Australian flotilla, and the flotilla itself, would therefore form in effect an additional branch of the Royal Navy, maintained without cost to the mother country, and preserving its standard of efficiency.

6. Ministers will be greatly indebted if the practical methods of giving effect to this tentative outline of an arrangement can be considered and commented upon by the Lords Commissioners of the Admiralty, in order to guide the Government of the Commonwealth in framing its naval policy of harbour and coast defence.

Governor-General,
 His Excellency
 The Right Honourable
 Lord Northcote, G.C.M.G., G.C.I.E.,
 &c., &c., &c.

I have, &c.,
 ALFRED DEAKIN.

lity Forces of the Commonwealth. The outlook here differs very largely from that of the naval service, because it is much less specialized and may be made much more generally disciplinary to our people as a whole, although it demands in most cases a small degree of organisation and efficiency. But we cannot afford to speak lightly of our land force, first because of what it has achieved—and its record where it has been tested is admirable—and also because, although not preparing for any expeditionary adventures outside Australia, we must realise that while we maintain such a mere handful of people, clustered practically in one segment of the continent, any invasion attempted would probably be at a remote part. Our military forces would have to be prepared for acting one, two, or more thousands of miles away from the populated centres of the Commonwealth. Consequently that is an additional burden on us, since, until our population grows faster than it has been growing—and I hope we shall grow much faster—we have the responsibility not only of protecting hearths and homes here, but of guarding the great unoccupied parts of this immense continent. As in the Navy we are making a new departure almost without a precedent, and new to all the Dominions of the Empire, in connexion with our land forces it appears to the Government that the time has arrived for making a new departure of an equally marked kind, and of a type wholly unprecedented under the British flag. While I have no desire to find fault with our existing militia force, which has every appearance of energy, yet there are considerations in respect to it which I think will weigh very seriously with the people of this community. In the first place, numerically it is absurdly weak. It is now 14 per cent. short of the officers it ought to have, and 10 per cent. short of the numbers of those required in the ranks. The average training of the rank and file is only 1½ years; so frequent are the incomings and the outgoings. In fact, for five years service to-morrow, probably we could not count on more than half of the 100,000 odd militia that we have. A force of 1,300 permanent men looks well, but on examination we discover that only about 700 belong to the fighting force. When the Permanent Force is reduced so much, we can understand the deductions required in calculating the effective strength of the ordinary militia. Out of a population of nearly 1,000,000 men of military age, we have only 22,000 regularly drilled, and, as I have said, for only short periods, and for the most part on parades or in drill-rooms.

Colonel FOXTON: But a vast number of those who have passed through the ranks are practically a reserve.

MR. DEAKIN: Unfortunately, however, they are a reserve of only twelve months' experience, which, as the honourable member knows, rarely amounts to much, and ends in very little.

Colonel FOXTON: The average service is over twelve months.

MR. DEAKIN: The average is a year and a half for all, but many go out at the end of twelve months.

Colonel FOXTON: But a great many do not leave until after the expiration of three years.

MR. DEAKIN: And such men, for, perhaps, seven or ten years afterwards may be looked upon as a reserve.

Colonel FOXTON: And a good reserve, too!

MR. DEAKIN: Besides these men there are 40,000 others, of all ages and degrees of physical capacity, who practise more or less with the rifle, but who have no drill, no organisation, and no officers. If we distinguish the volunteers from the militia, we find that even a smaller proportion of the former would be effective for immediate service in the field. In point of fact, the volunteers are also short of officers, and are but partly drilled. What then is the position of the Commonwealth? About one schoolboy in seven is receiving some training as a cadet; about one youth in fifty, under nineteen years of age, has seen some service in the militia or the volunteers; and one man in fifty-two is in some way or other connected with the forces. That is to say, one male in every 112 is receiving some kind of drill and military experience for a short period; and, with our present arms, ammunition, and equipment, we should be unable to maintain very few more than the actual number of militia and volunteers. Yet on this tiny array we expend a sum which this year approaches £800,000. In order, therefore, to have 100,000 men properly equipped we should require, at the same ratio, to spend probably £1,500,000 more than we do at present. We must greatly enhance our forces, but we cannot afford to pay more than £2,000,000 a year to that end; and yet that is what the present system neces-

coast of Australia, the arrangements for their manning, training, distribution, and general administration, and also the question of pay and pensions of the personnel and other expenses, where the co-operation and assistance of the Royal Navy are involved.

As stated in previous correspondence, my Lords are not in a position to consent to the appropriation of the four P. Class cruisers asked for at the present time, and they do not therefore propose to go more fully into this question in this letter; moreover, it is now understood that the Commonwealth Government do not press this part of their proposals.

Since the receipt of the telegram of the 17th December,* a copy of the report of the speech of the Prime Minister in the House of Representatives on the 12th December has been received. From this report it appears that Mr. Deakin proposes to spend £250,000 a year for three years upon the construction of 9 submarines and 6 destroyers, and that this appropriation would be in addition to the £200,000 now voted under the Naval Agreement. Of the latter sum, £100,000 would be devoted to the maintenance of 1,000 Australian seamen, while the remainder apparently would be applied towards the cost of upkeep, &c., of the new local defence force to be created. The present Colonial naval militia force appears to be left undisturbed under the new scheme.

The number of officers and men required to man such a force of 9 submarines and 6 destroyers with the necessary reserves may be estimated at about 650, and on this calculation a considerable proportion of the 1,000 Australians proposed to be maintained would be required to man the local defence force, leaving only some 350 for service in the Royal Navy. Without further enquiry it is not possible to state whether a force so distributed would lend itself to the requirements of service and training in the fleet as indicated in Mr. Deakin's speech, but on the assumption that the above estimate would represent generally the future arrangement, my Lords do not see any insuperable difficulty in coming to an agreement on this part of the scheme.

Of course it is understood that during the transitional period between the present and new arrangement some temporary difficulties would have to be met, but their Lordships would endeavour to make special arrangements to provide during such period for the training and employment of the permanent crews now entered.

With regard to the subject of the control of the local naval force in time of war, my Lords consider it of great importance that there should be no misunderstanding, and they had hoped that the discussion which took place at the interview between Mr. Deakin and the representatives of the Admiralty on the 24th April last made the position sufficiently clear.

In time of peace the different self-governing dominions comprised in the British Empire have power to maintain and employ for harbour defence and for police purposes armed ships and vessels in their own waters; they have also a limited power to maintain and employ ships of war for wider duties, provided that an Order of His Majesty in Council is obtained as provided for in the Colonial Naval Defence Act of 1865 (28 and 29 Vic. Cap. 14). In time of war the circumstances are entirely changed, and as under International Law there is only one executive authority in the British Empire capable of being recognised by foreign states, Colonial ships of war cannot operate independently of the Royal Navy except to the limited extent referred to above.

The executive power of the Crown as the central authority of the British Empire must be applied as regards foreigners in the same manner and under the same conditions wherever a military or naval force is in existence, and the same responsibility for any action taken by Colonial or home ships of war will rest upon this central authority. It is essential, therefore, that officers commissioned by His Majesty should have full power and responsibility in accordance with their rank, wherever they may happen to be serving. Accordingly it follows that not only must the local force when associated with the Royal Navy recognise orders given by the Admiralty or Naval Commander-in-Chief, but also that their officers must submit to the command of any senior naval officer during the time they are in company with him.

While, therefore, my Lords recognise the force of the contention as a general

June, 1906, there were less than 7,000 cadets in the Commonwealth, whereas last year we made provision for nearly 28,000; and this year's Estimates represent a total of about 37,000. It will be seen, therefore, that the advance in this direction since the present Government came into office, has been very great. We propose to reduce the term of obligatory service in the National Guard for those who have passed through and qualified in the cadet service; that is to say, qualified cadets will be spared those days devoted to the drill and discipline which they have already acquired.

MR. SALMON: Cadet drill will count as service?

MR. DEAKIN: Yes, in 1906, the rifle clubs represented a membership of 37,000, whereas in November last they had grown to 45,000, an increase in seventeen months of nearly 8,000. We have every reason to believe that this increase will continue. National training for young men will occupy on an average only sixteen days a year or three years. Those who qualify as senior cadets need only put in twelve days a year. I may be asked "What of the present militia?" The whole of its effective strength will be absorbed, being required to supply officers and non-commissioned officers to train the new levies. In this connexion we shall secure an advantage in their higher training by a system to which I shall presently allude. There will be 1,000 men each year entering the present militia regiments by an increase in the number of their companies. The procedure in regard to the National Guard is that in the year in which he reaches eighteen years of age every young man will require to register himself. He will then be subjected to a medical examination, declared fit, unfit, or temporarily unfit, and dealt with accordingly. On joining he will receive his National Guard record—a small parchment book—in which his service, his promotions, and any comments thereon will be registered. This will be of some value to him in life outside the ranks. Each young man must make himself efficient each year, any year in which he fails to do so will add an additional year to his course. He will have to complete three efficient years before his term will be completed. The uniform will be of the simplest—hat or cap, a badge, a jumper or overall, breeches, leggings and boots. These will be the property of the wearer, and will all be made in Australia. The proposal is that each of the present militia units shall expand to three National Guard units, and shall receive each year one-third of its strength and part each year with one-third of its strength to the reserve. Many of the men who are not fitted for active service can be enlisted for ambulance and transport work. The artillery and other transport corps will require to devote longer periods to their training, and will receive a reasonable allowance for doing. The officers will be paid for their services because they remain after their three years have expired. Some allowance must be made to them, since, in addition to the camps which they will have to attend for the purpose of training others, they will have to devote certain periods of the year to receiving higher training themselves. The men will be allowed as far as possible to select the branch of the service they prefer. Drill will be simplified. All training will be given in camps. And on ground permitting of the conditions attaching to actual service in the field they will be carried out in the most practical manner possible.

Colonel FOXTON: But the artillery training will have to be continuous.

MR. DEAKIN: Artillery training of a kind will proceed continuously. When the measure dealing with this question is submitted to the House before the close of the session it will show the details for each arm of the service in that regard. Ultimately we may see a time arrive when, reckoning men under forty, we shall have 10,000 who are either in, or have passed through, the ranks. We estimate that these men can be obtained, disciplined, drilled, and made effective for £1,200,000 a year as against the present defence expenditure of £800,000. Every infantryman—three-fourths of the total force—will be armed with a rifle and bayonet with scabbard. At present we have 83,000 rifles of all kinds. We shall add 20,000 new rifles each year. The cost of these will be £100,000 a year. But these are not to be imported. They will be made locally. We have satisfied ourselves, after a careful enquiry, that they can be made here cheaper than they can be purchased abroad. Every rifleman will have a bandolier equipment. It will consist of a sling, water-bottle and straps, great coat, blanket, waterproof sheet, mess tin and haversack. All these will be made locally. One arm in which our present forces are decidedly weak is the field artillery. At present we have sixty guns. The guns associated with the new force will be 240 of the latest type. They will be provided at the rate of sixteen a year, and will cost us, with their etceteras, about £50,000

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No. 17.

AUSTRALIA.

THE SECRETARY OF STATE to THE GOVERNOR-GENERAL.

[Answered by No. 19.]

My LORD,

Downing Street, 14th February, 1908.

WITH reference to your despatch of the 24th December and my despatch of the 11th instant,* on the subject of the Australasian Naval Agreement, I have the honour to transmit to Your Excellency, to be laid before your Ministers, copy of a letter† from the Admiralty dealing with the points raised in your telegram of the 17th December last.‡

I have, &c.,
ELGIN.

No. 18.

NEW ZEALAND.

THE SECRETARY OF STATE to THE GOVERNOR.

My LORD,

Downing Street, 14th February, 1908.

WITH reference to my despatch of the 13th of December last,§ I have the honour to transmit to you, for the information of your Ministers, copies of further correspondence|| with the Governor-General of Australia on the subject of the proposed revision of the Australasian Naval Agreement.

I have, &c.,
ELGIN.

No. 19.

AUSTRALIA.

THE GOVERNOR-GENERAL to THE SECRETARY OF STATE.

(Received 1.40 p.m., 1 April, 1908.)

TELEGRAM.

[Answered by Nos. 22 and 30.]

Referring to your despatch, 14th February,¶ Ministers feel obliged by Admiralty despatch but, before replying or consulting New Zealand or publishing, would be glad to know whether arrangement approved for future relations Royal Navy and local forces is intended to be made for any, and what, period to cover any, and what, matters contained ? in articles of existing agreement.

Ministers would also be obliged if, when convenient, some estimate could be supplied of number of Australian seamen, if any, required to be maintained in excess of 1,000 to meet requirements of service and training in the fleet, and also to be furnished with draft arrangements for manning, training, distribution, general administration, pay, pensions, and other expenses which the Admiralty advise in order that Australian flotilla proposed (in) Prime Minister's speech might secure cooperation and assistance of the Royal Navy referred to in your despatch.—
NORTHCOTE.

* Nos. 12 and 16. † No. 15. ‡ No. 9. § No. 8. ¶ Nos. 9, 12, and 17. ¶ No. 17.

roughly organised military machinery in operation under Lord Kitchener. We are now asked for permission to send militia officers as well as permanent men.

MR. SALMON: Hear, hear; that is the right idea!

MR. DEAKIN: Ours is a citizen force. The ruling idea is, while setting a high ideal of military training, to provide equal opportunities for all our citizens who will give their time and ability to the service of the Commonwealth in this direction. We hope to be able to send the best of them each year to actual schools of training, which are provided in connexion with the military manoeuvres in India and in the other Country. In this way our officers will be brought into association and, in a sense, into competition with highly-trained officers in other parts of the Empire, whilst at the same time we shall be receiving officers from India, Canada, and the United Kingdom, who will criticise us and give us the benefit of their training. We shall learn from them, as we hope they will be able to learn something from us.

MR. SALMON: That is the way to raise the status of the militia.

MR. DEAKIN: This system of transferring is devised for the purpose of raising the status of the militia. It is upon our citizen soldiery and our citizen officers that we must rely. We recognise that we ought not only to raise the status of our officer abroad, but that we must raise him in the estimation of those whom he commands, and of those with whom he is allied. We qualify him to achieve this end by putting him in training side by side with the best officers of the British Government in India and elsewhere. We hope in this way to establish a high standard to which our citizens in arms may be encouraged to aspire. The object of these proposals is to give effect to that well-worn aphorism of Bonaparte, that every soldier would feel himself carrying a marshal's bâton in his knapsack. In pursuance of the same end we propose to take certain steps which will remove the artificial distinctions occasionally created. We shall want for our officers the best men we can get—men with the capacity for command, with a taste for military study and exercises, and with ability quite independently of the class in which they are found. We wish these men to have the opportunity of rising to the highest positions we can give them in our National Guard.

MR. SALMON: The Government are anticipating my motion.

MR. DEAKIN: If we can. I am well aware that at present when any one points a desirable standard as an ideal, one is at once accused of becoming millennial. It is better to take a high standard than a low one. Many of the heroes of history who have set the highest possible standard for themselves have expected least from their fellows. When we aim at setting a high national standard in this way we are not insinuating that, by the introduction of this scheme, we are going to transform the nature of the people of Australia. Speaking for myself, I am content to trust the Australian people. I believe that they are not only fitted to serve, but to command, and to rival in the arts of war, so far as these can be practised in times of peace, any of like experience against whom they may be pitted. When we have introduced a National Guard without distinction of class, wealth, or position, we hope that interest in our system of military training and the ambition for proficiency in several branches will, to some extent, take the place of those sports at which our young people look and speculate upon every Saturday without otherwise participating in them. In one of his most stirring sketches, Kipling dreams of a time when military training will be regarded as the most fascinating of sports. If we can persuade our people that competition in military exercises is better than looking at less educational forms of competition, we shall soon see our military and naval ties undertaken cheerfully and carried on under the same conditions of popular interest and approbation as apply in the case of sports and games. I know of no sport which has such an influence on the English race as the spirit of competition. The newspaper clippings from the English newspapers which come to me every week contain, at present, in most cases, only about an inch of matter relating to important Australian occurrences, as compared with about a foot of cablegrams devoted to the cricket matches of the English team now in this country. That, I imagine, is largely because of the element of competition, when batsmen and bowler are pitted against each other. There is no reason why we should not stimulate a similar interest in the case of military prowess, as is at present felt in regard to outdoor sports.

MR. HARPER: Except in regard to the gate money!

MR. DEAKIN: The interest there is that of clubs or players, not of the thousands of spectators who pay, but do not receive. Instructional schools are to be established, at which the interest of our officers will be stimulated as far as possible

obsolete man-of-war for the purpose of training young men for the Imperial Navy and the mercantile marine.

2. The facilities which have been given by my Government to youths for taking up a seafaring life through the New Zealand training ship "Amokura" (late H.M.S. "Sparrow") are undoubtedly appreciated, and the numerous applications to join that vessel go to prove that a ship with more accommodation is urgently needed.

3. I desire to join with my Government in requesting your Lordship to place this request before the Lords of the Admiralty for favourable consideration.

I have, &c.,
PLUNKET,
Governor.

Enclosure in No. 21.

MEMORANDUM FOR HIS EXCELLENCY THE GOVERNOR.

Prime Minister's Office, Wellington, New Zealand,
16 March, 1908.

The Prime Minister presents his compliments, and will be glad if His Excellency will inform the Imperial Authorities that the New Zealand Government is desirous of obtaining a larger and more suitable ship than the "Amokura" for training purposes, and trusts that, if at any time one of the larger ships of the British Navy is found to be obsolete, instead of breaking the vessel up, an opportunity will be given this Dominion of acquiring her. It is the wish of the Government to make provision for the training of up to one thousand young men at a time. A proportion of the men thus trained would then be available for manning His Majesty's ships in New Zealand waters. It is also contemplated that the training of young men for the mercantile marine should be undertaken on the New Zealand ships. The advantage of this proposal would be that in times of trouble even those who were engaged in the latter occupation would be sufficiently trained to man His Majesty's ships, if required.

J. G. WARD.

No. 22.

AUSTRALIA.

THE SECRETARY OF STATE TO THE GOVERNOR-GENERAL.

(Sent 5.45 p.m., 21 April, 1908.)

TELEGRAM.

21 April. Your telegram 1 April,* Naval Agreement. Matter was referred at once to Admiralty, who have it under consideration with view to supply, if possible, desired information, but there may be some further inevitable delay in sending reply.—CREWE.

No. 23.

NEW ZEALAND.

THE SECRETARY OF STATE TO THE GOVERNOR.

(Sent 5.20 p.m., 27 April, 1908.)

TELEGRAM.

Your despatch,† subsidy to Imperial Navy. I am gladly communicating the proposal of your Government to the Admiralty, but wish at once to express my

* No. 19.

† No. 20.

s system has been established a sufficient time the rifle clubs shall only be recruited from men who have passed through the ranks, and in every way preference where preference can be given it ought to be granted to those who have shown special zeal in this form of public service. In the same way, whatever permanent force there will be recruited from our own men.

MR. MAHON: Does the honourable gentleman propose to give them preference in the public service?

MR. DEAKIN: Yes, other things being equal, especially for general employment. When every one goes into the ranks the recognition of merit there becomes fair. When we propose to aid and encourage the competitive spirit by inducing as many military contests, competitions, and tournaments as possible, subsidizing them to such an extent as to make them attractive to the public as well as to those who take part in them. All these things are possible when once we have created a citizenry in which every settlement and town, every family and class is interested, and from which no one is or can be excluded. Long service undertaken voluntarily will be especially appreciated, and recognitions of some kind will be devised. Provision for these is to be made, and also for some regular training for the reserves, though not included in these figures, because this plan in itself will be large enough for present consideration. After men have done their three years' training, it will be very desirable not to let them entirely rust, but to keep them in touch, at stated intervals, with the work which is being done, to attend occasionally even if only for a short time at camps with the National Guard. In the same way officers of the reserves will be induced to attend at camps, where they must be of much assistance to those present, and where they themselves will be brought up-to-date.

MR. WILKS: At what age will men be exempt from the reserves? Has it been decided?

MR. DEAKIN: It is proposed to fix the age at forty years.

MR. ARCHER: Will it not be necessary to offer some inducement?

MR. DEAKIN: In some cases, but I doubt if this inducement will need in the future to be of the same character as at present. Every one will take part, and if I succeed in getting what I call the competitive spirit thoroughly aroused the rest will follow. I feel that I have trespassed upon the patience of the House.

HONOURABLE MEMBERS: No; go on.

MR. DEAKIN: I propose to lay upon the Table a table which will show the extra cost, or, in some cases, the reduced cost, of each and every item in each of the first three years, as compared with the Estimates for the present year. Of course, these are only estimates though they are founded upon actual data now in possession—

DETAILS OF ESTIMATED EXPENDITURE.

	1st year.	2nd year.	3rd year.	Estimates, 1907/8.
	£	£	£	£
Central Administration	23,000	23,000	23,000	23,000
Headquarters of Military Districts	15,000	15,000	15,000	15,254
Finance Department	22,000	22,000	22,000	21,452
Permanent Troops	85,000	65,000	50,000	105,793
Instructional Staff	46,000	46,000	46,000	46,388
Accounts and Pay Department	6,000	6,000	6,000	6,198
Police Range Staff	3,000	3,000	3,000	2,654
Total—Permanent Services	200,000	180,000	165,000	220,739
National Guard—Training—				
Pay, including Militia retained	93,000	80,000	90,000	115,489
Clothing, &c.	90,000	90,000	90,000	64,197
Camps and Schools of Instruction	39,000	68,000	85,000	30,460
Central School	5,000	5,000	5,000	—
Ammunition annually expended	20,000	40,000	60,000	32,203*
Total	247,000	283,000	330,000	242,349

Note *—£32,203 includes annual expenditure on Gun and Rifle Ammunition and Reserve Rifle Ammunition.

With reference to the concluding paragraph of Sir J. Ward's memorandum, my Lords think it opportune to refer to the position taken up by the Admiralty at the Colonial Conference of last year. The Admiralty do not desire to initiate any proposal to alter the existing agreement, but at the same time they will be ready to co-operate in any considered arrangement which the Governments of Australia and New Zealand may prefer to substitute for the agreement, and it will be for the Australian Government to approach the New Zealand Government on the subject.

Their Lordships presume that a further communication will be received as to the time and manner of paying the additional £60,000, when the proposal has been approved by the New Zealand Parliament.

I am, &c.,
W. GRAHAM GREENE.

No. 27.

AUSTRALIA.

ADMIRALTY to COLONIAL OFFICE.

(Received 29 May, 1908.)

Sir,

Admiralty, 29 May, 1908.

I HAVE laid before my Lords Commissioners of the Admiralty your letter of the 3rd April,* forwarding copy of a telegram† from the Governor-General of the Commonwealth of Australia on the subject of the revision of the Naval Agreement.

It appears to my Lords that the Commonwealth Ministers have misapprehended in part their Lordships' letter of the 10th February last.‡

In the last paragraph but one of that letter, my Lords expressed the view, that if the present agreement is cancelled, the arrangement which might take its place need not be embodied in an Act of Parliament, and that the requirements would be met by an undertaking between the two Governments sufficiently elastic in its terms as to be capable of adjustment from time to time by the procedure of ordinary negotiation and discussion. Their Lordships did not have in mind any particular period nor any particular conditions, whether new in character or already embodied in the existing agreement; in their opinion the terms of any new agreement must depend upon the nature of the understanding arrived at, and until this has been settled it would be premature to discuss the period during which the arrangement should be in force, or the matters to be embraced in it.

With regard to the number of Australian seamen to be maintained, the question would depend upon the scheme contemplated by the Australian Government. The remarks made in Admiralty letter of the 10th February‡ were based on the scheme outlined by the Prime Minister, as far as it could be understood from the telegraphic correspondence and Mr. Deakin's speeches.

If a scheme were carried out on the lines indicated, the number of officers and men required actually to man the destroyer and submarine flotillas is estimated to amount to at least 650, and in order to maintain that number in a state of efficiency, probably as many more would have to be provided.

Whether even this number would permit of a systematic exchange of ratings between the Australian flotillas and the Imperial fleet would depend upon the conditions that the Commonwealth Government might wish to impose as regards the length of service in home waters, &c., and without a full exposition of the details of the scheme itself, it is very difficult for the Admiralty to give any useful advice. It was for this reason that the suggestion was made that a statement should be prepared showing definitely the vessels to be maintained in Australian waters and the general arrangements for the organisation of the local force.

My Lords feel, however, that at such a great distance apart as Australia is from the United Kingdom it is practically impossible to discuss matters of detail, and therefore they have given instructions for a scheme to be elaborated on lines as nearly as possible approaching those sketched by Mr. Deakin, and as soon as this is prepared they will forward the same for the consideration of the Commonwealth Government.

* Not printed.

† No. 19.

‡ No. 15.

transformation to be effected on sea and land, will consider it unduly expensive. I have not spoken so far of what, after all, we must rely upon as the motive power of the new national system—the motive power of every-day working patriotism, a sense of national unity, and of our indebtedness to this community which offers upon its young people so many advantages denied elsewhere. It asks them to return, not for sacrifices such as are made by conscripts sent to barrack life, but for brief, wholehearted, healthy training. It bids them to be inspired to do more work for themselves, and to welcome any opportunity of serving the common good. No one will say that open-air training for our young men for three years can do them anything but good. It is not barrack confinement, but camp life under discipline which will make them brighter men. If this duty be accepted, as I hope, with intelligent interest, and, in many cases, with enthusiasm, even though we hope our National Guard may never be employed in actual warfare, it will give us not only a great disciplinary power, but a potent factor in fostering that national spirit on which we rely. Those who have worn the uniform, as many of us have, those who have stood shoulder to shoulder in the ranks answering to the volunteer bugle call know how powerfully even such an outward summons appeals. National training is recognised as part of our national life, and as the discharge of every citizen's obligation, it will accomplish more. What we must, and do, trust are not titles and rewards, but voluntary service freely given, a patriotic discharge of duty to his country which does honour to the man who renders it, and a greater honour the more efficiently it is accomplished. Without patriotism we can do nothing when we come to actual defence, or even in the necessary training and preparation which go before. From this sentiment I by no means exclude those not required to enlist, because of their sex, who, themselves becoming every year more appreciative of the patriotic purpose of our National Guard, will be moved by its generous character. I am perfectly certain that if the horrible contingency arose our camps in war would be filled with nurses, or for aught that woman's patient loving kindness can bestow. We need these forces we want, as well as the will of the men of our country, the heart of our women, realizing their part in it, and trained in connexion with our ambulance in sufficient numbers. I am sure we can add them to the list, and with their encouragement we shall soon have another enthusiasm imparted to the young men of their three years' martial training. Ours being a citizen soldiery, should appeal to all our people as no other can. We cast aside meretricious display, the glitter of gold lace, or glamour of a separate caste. We replace them by a healthy response of confidence in the man who is doing his duty when guarding his home as much as when breadwinning for his family, or fathering his children. It is on patriotic feeling we rely; without this it would be idle to propose a citizen soldiery; otherwise we must buy our defence. But a citizen soldiery, inspired by patriotism, as the world's history shows, has with even partially-armed levies again and again proved better than the best armed mercenaries brought against them. Our national defence is a defence of the people for the people and by the people. It is therefore with every confidence that the Government submits to Parliament and the country their consideration the programme of naval construction and national training that I have imperfectly outlined.

I beg to present the following papers:—

Naval Defence of Australia.—Correspondence in reference thereto, between the Commonwealth Government and the Admiralty.

Naval Defence.—Opinions with regard to Submarines.

Defence.—Mr. C. Napier Hake's Investigation in England.—Extracts from his Report.

I beg to move: That the papers be printed.

MR. FISHER (Wide Bay) [9.53].—I do not presume that it is intended to debate this matter at the present stage, but I think we ought not to enter upon the Christmas vacation without offering the Prime Minister our congratulations on the speech he has just delivered. The subject is a big one, and I do not think I have ever heard of a more honourable member to greater advantage. With such a subject and with such a speaker I have no doubt that when the time comes for the people of this country to defend themselves they will respond as he desires. I offer the Prime Minister my congratulations upon the manner in which he has set forth the defence policy of the Government.

Motion agreed to.

No. 31.

AUSTRALIA.

THE SECRETARY OF STATE to THE GOVERNOR-GENERAL.

My LORD, Downing Street, 29 May, 1908.
 I HAVE the honour to transmit to Your Excellency, for the information of your Ministers, with reference to previous correspondence regarding the naval agreement, copy of correspondence* with the Governor of New Zealand on the subject of the decision of the Dominion Government to increase to £100,000 a year the contribution of New Zealand to the naval defence of the Empire, while leaving the disposition of the fleet to the decision of the Lords Commissioners of the Admiralty.

I have, &c.,
 CREWE.

No. 32.

NEW ZEALAND.

THE SECRETARY OF STATE to THE GOVERNOR.

My LORD, Downing Street, 29 May, 1908.
 WITH reference to my despatch of 14th February last,† I have the honour to transmit to you, for the information of your Ministers, copies of further correspondence‡ as noted in the margin, relative to the proposed modification of the Naval Agreement.

Lord Northcote, Telegram, 1 April.
 To Lord Northcote, Telegram, 21 April.
 Admiralty, 29 May.
 To Lord Northcote, 29 May.

I have, &c.,
 CREWE.

No. 33.

NEW ZEALAND.

THE SECRETARY OF STATE to THE GOVERNOR.

My LORD, Downing Street, 29 May, 1908.
 WITH reference to my telegram of the 29th of May,§ I have the honour to transmit to you, for the information of your Ministers, copy of a letter|| from the Admiralty on the subject of the decision of the Dominion Government to increase to £100,000 a year the contribution of New Zealand to the defence of the Empire.

2. I have forwarded a copy of the correspondence with your Lordship to the Governor-General of the Commonwealth of Australia for the information of His Excellency's Ministers.

I have, &c.,
 CREWE.

No. 34.

AUSTRALIA.

THE SECRETARY OF STATE to THE GOVERNOR-GENERAL.

(Sent 4.15 p.m., 5 June, 1908.)

TELEGRAM.

My telegram 21st April.¶ Admiralty letter sent by last mail states that proposed scheme involves questions of detail which are very difficult to settle by telegraph, but Admiralty are drafting a full scheme for consideration based generally on what was understood to be views of your Government. Some time, however, must elapse before it is ready, and then it will be necessary to send it by mail.—
 CREWE.

* Nos. 20, 23, and 29. † No. 18. ‡ Nos. 19, 22, 27, and 30. § No. 29. || No. 26. ¶ No. 22.

No. 13.

AUSTRALIA.

COLONIAL OFFICE to ADMIRALTY.

Downing Street, 28th January, 1908.

I AM directed by the Earl of Elgin to transmit to you, for the consideration of the Lords Commissioners of the Admiralty, copy of a further despatch* from the Governor-General of the Commonwealth of Australia on the subject of the naval defence of the Commonwealth.

2. I am to take this opportunity to forward, for the information of their Lordships, copies of papers† on the Naval Defence of Australia recently laid before the Commonwealth Parliament.

I am, &c.,
H. W. JUST.

No. 14.

AUSTRALIA.

THE SECRETARY OF STATE to THE GOVERNOR-GENERAL.

(Sent 1.45 p.m., 30th January, 1908.)

TELEGRAM.

Referring to your telegram of 24th January,‡ questions raised in your telegram of 17th December§ have been under most careful consideration. Information furnished by your Prime Minister's speech enclosed in your despatch, 18 December,|| and by enclosure in your despatch of 24 December,* necessitates further consideration as to several points, but matter will be expedited as much as possible.—ELGIN.

No. 15.

AUSTRALIA. NEW ZEALAND.

ADMIRALTY to COLONIAL OFFICE.

Admiralty, 10th February, 1908.

I HAVE laid before my Lords Commissioners of the Admiralty your letter of the 20th December,¶ forwarding a further telegram dated 17th idem from the Governor-General of the Commonwealth of Australia on the subject of the proposed revision of the Australasian Naval Agreement.

As suggested by the Secretary of State, their Lordships make the following observations on the points raised in the telegram with a view to the same being communicated in a despatch to the Governor-General.

As regards increased cost to the Royal Navy my Lords fully understand that the Commonwealth Government do not wish to add by their scheme to the charges already falling upon the British Exchequer in connection with the maintenance of the fleet on the Australian station, but, as indicated in the telegram to the Governor-General of 13th December,** the proposals made by the Commonwealth Minister would involve the maintenance in Australian waters at the cost of the British Exchequer of certain vessels over and above what might still be considered necessary for Imperial purposes on the station, and might entail the construction of other ships specially to take their places, the number of vessels of this class the navy being limited.

The question of the actual cost cannot, however, be satisfactorily dealt with until details of the scheme suggested by the Commonwealth Government have been worked out. Such a statement should show definitely the number and class of vessels proposed to be maintained in commission and reserve on the

No. 12. † Commonwealth Parliamentary Papers, No. 143 F—15765, and No. 144 F—16069.
‡ A reminder. § No. 9. ¶ No. 11. ¶ No. 10. ** No. 6.

A general exposition of the requirements of the scheme in regard to personnel and training is given in Appendix I. attached to this letter.

It is estimated that the total cost of building and equipping 6 destroyers, 9 submarines, and 2 depôt or parent ships will amount to £1,277,500, as shown in Appendix II. made up as follows:—

6 Destroyers	...	...	...	...	£473,500
9 Submarines	...	...	...	...	496,000
2 Depôt ships	...	...	...	...	308,000
					£1,277,500

The manner and conditions under which these vessels will be constructed are left for future consideration, but their Lordships will give all the advice and assistance that the Commonwealth Government may desire, it being considered an advantage that the details of construction and armament should correspond with the general requirements of the Admiralty.

The annual maintenance of these vessels, including repairs, stores, and depreciation will amount to £186,000. It has been assumed that the repairs will be carried out at local shipbuilding yards, and will not involve any charges upon Sydney Dockyard, which will be reserved for Imperial purposes, as hitherto.

As regards personnel, the numbers required are estimated at 79 officers and 1,125 men, and the total annual cost, including pay and allowances, victualling, &c., will amount to £160,000 per annum as shown in Appendix III. It must be noted that the cost includes half pay and retiring allowances of officers, and pensions and gratuities of men, calculated on the assumption that the pay will be precisely the same as in the Imperial Navy, and particularly that gratuities on leaving and service pensions are treated as an equivalent for the higher salaries and wages prevailing in Australia. The experience of the present Agreement has convinced their Lordships that any attempt to combine a higher rate of pay in Australia with the ordinary conditions of pay and service prevailing in the Imperial Navy must be abandoned.

It is suggested that pensions to men for long service should be awarded after 22 years, and disability pensions after less service, under the conditions laid down in the King's Regulations, and that gratuities after short periods of service in the Fleet should be payable on rules similar to those obtaining in the Royal Fleet Reserve. Under these rules a man can obtain a gratuity of £50 at the age of 40 after having served for five years (or more) in the Fleet, followed by service in the Reserve consisting of 5 year periods up to a total of 20 years. The former condition should be generally applicable to the skilled ratings, and the latter to the general service men, the time taken in training the skilled men required for destroyers and submarines precluding the adoption of an engagement terminable after 5 years only.

It will be noticed that the scheme as here developed will involve a larger charge upon the Commonwealth funds than that hitherto payable, but my Lords have reason to believe from the statements made by Mr. Deakin that it will not be in excess of the amount he was prepared to pay to give effect to the scheme. The total annual charge as set forth is estimated at £346,000, and even if this should be somewhat under the mark, it is not considered that a flotilla constituted on the lines desired by the Commonwealth Government could be provided at less cost, possessing, as it will, all the advantages of close connection with the Imperial Navy.

As previously stated, my Lords consider that the security from over-sea attack of the Empire generally of which the Australian Continent forms an important part, is best secured by the operation of the Imperial Navy, distributed as the strategic necessities of the moment dictate. At the same time they recognise that under certain contingencies, the establishment of a local flotilla acting in conjunction with the Imperial force, would greatly assist in the operations of the latter. My Lords also recognise the importance, politically, of fostering a feeling of security among

No. 13.

AUSTRALIA.

COLONIAL OFFICE to ADMIRALTY.

Downing Street, 28th January, 1908.

I AM directed by the Earl of Elgin to transmit to you, for the consideration of Lords Commissioners of the Admiralty, copy of a further despatch* from the Governor-General of the Commonwealth of Australia on the subject of the naval defence of the Commonwealth.

2. I am to take this opportunity to forward, for the information of their Lordships, copies of papers† on the Naval Defence of Australia recently laid before Commonwealth Parliament.

I am, &c.,
H. W. JUST.

No. 14.

AUSTRALIA.

THE SECRETARY OF STATE to THE GOVERNOR-GENERAL.

(Sent 1.45 p.m., 30th January, 1908.)

TELEGRAM.

Referring to your telegram of 24th January,‡ questions raised in your telegram of 17th December,¶ have been under most careful consideration. Information furnished by your Prime Minister's speech enclosed in your despatch, 18 December,|| by enclosure in your despatch of 24 December,* necessitates further consideration as to several points, but matter will be expedited as much as possible.—ELGIN.

No. 15.

AUSTRALIA. NEW ZEALAND.

ADMIRALTY to COLONIAL OFFICE.

Admiralty, 10th February, 1908.

I HAVE laid before my Lords Commissioners of the Admiralty your letter of the 20th December,¶ forwarding a further telegram dated 17th idem from the Governor-General of the Commonwealth of Australia on the subject of the proposed revision of the Australasian Naval Agreement.

As suggested by the Secretary of State, their Lordships make the following observations on the points raised in the telegram with a view to the same being communicated in a despatch to the Governor-General.

As regards increased cost to the Royal Navy my Lords fully understand that Commonwealth Government do not wish to add by their scheme to the charges already falling upon the British Exchequer in connection with the maintenance of the fleet on the Australian station, but, as indicated in the telegram to the Governor-General of 13th December,** the proposals made by the Commonwealth Minister would involve the maintenance in Australian waters at the cost of the British Exchequer of certain vessels over and above what might still be considered necessary for Imperial purposes on the station, and might entail the construction of other ships specially to take their places, the number of vessels of this class the navy being limited.

The question of the actual cost cannot, however, be satisfactorily dealt with until details of the scheme suggested by the Commonwealth Government have been worked out. Such a statement should show definitely the number and class of vessels proposed to be maintained in commission and reserve on the

No. 12. † Commonwealth Parliamentary Papers, No. 143 F—15765, and No. 144 F—16069.

‡ A reminder.

§ No. 9.

|| No. 11.

¶ No. 10.

** No. 6.

34 respectively. It is considered, therefore, that the numbers should be as shown in Column III.

	I.	II. (Sub-Lieutenants taken out.)	III. (adjusted).
Captain (in charge)	1	1	4
Commanders	2	2	7
Lieutenants	28	40	34
Sub-Lieutenants	18	—	—
	— 49	— 43	— 45
Engineer Commanders or Engineer Lieutenants (senior)	2	2	2
Engineer Lieutenants (junior)	8	8	8
	— 10	— 10	— 10
Gunners	8	14	14
Boatswain	1	1	1
Carpenters	2	2	2
Artificer Engineers	2	2	2
	— 13	— 19	— 19
Surgeons	2	2	2
Paymasters	2	2	2
Assistant Paymaster or Clerk	1	1	1
	— 5	— 5	— 5
Total	77	77	79

Men.

The total number of men allowed by complement is 975, composed as follows:—

Substantive Rating.	Non-Substantive rates included in Substantive numbers.
Seamen.	Seamen.
C.P.O. and P.O. 44	G.M. 16
L.S. 53	G.L., 2nd class 36
A.B. and Ord. 261	G.L., 3rd class 53
P.O. and other telegraphists 14	S.G. 2
Signal Branch 23	T.G.M. 1
Sailmakers 1	T.C. 9
	L.T.O. 24
	396
Engine Room.	Engine Room.
Ch. and E.R.A.'s 53	S.T. 28
Mechanicians 12	P.T.I., 2nd class 2
Chief stokers, S.P.O.'s 70	Bugler 2
Leading stoker 57	Yeoman of Stores 2
Stokers 300	Engineer writer 1
	Artificer diver 2
	Diver 6
	Tailor 2
	492
	177

Artisans	28
Accountant Branch	23
Medical	5
Miscellaneous	31

Allowing 15 per cent. in addition for sick and crossing reliefs the total numbers required will be about 1,125.

II.—ESTABLISHMENTS NECESSARY IN AUSTRALIA.

It is assumed that all repairs will be carried out by contract, but that the Naval Establishment at Sydney being still maintained for Imperial purposes, the Commonwealth Flotilla will, as far as possible, be afforded facilities there in the matter of

principle that the Government of a self-governing Colony should have power to control in its own waters the movements of the local force it maintains, and that its force should not be moved away from Colonial waters without the concurrence of the responsible Government, yet in the conduct of operations of a warlike nature it would be of vital importance that the vessels should come under the general command of the Commander-in-Chief on the station and be subject to his orders and directions.

It would be obviously impracticable for any defensive operations to be carried out satisfactorily without that close co-operation which unity of direction secures, and my Lords are glad to notice that Mr. Deakin in his speech before referred to expressed the opinion that in the event of operations in Australian waters the Commonwealth vessels would in almost every imaginable circumstance be placed wholly under the control of the Commander-in-Chief for the time being.

It was understood at the Conference that the Colonial Ministers recognised that it would be an advantage to the fleet to be able to rely upon the existence of a force of destroyers and submarines in the waters of distant parts of the Empire, but this advantage would be much diminished if the vessels are not in time of emergency to be placed under the command of the Commander-in-Chief or Senior Naval Officer.

With regard to the cancelling of the Agreement, as stated in Admiralty letter of the 7th December,* my Lords await the decision of the Governments of Australia and New Zealand, and it is not their intention to take the initiative in the matter. My Lords, are, however, ready to assist the Colonial Governments in carrying out such schemes of co-operation in local naval defence as they may decide upon, and they regard it as necessary that there should be a certain transitional period during which certain of the existing arrangements would be continued; but this period would only last until the new order of things should come into being, when the obligations arising out of the agreement would lapse.

For the carrying out of the new arrangement my Lords did not contemplate the passing of any Act of Parliament, either here or in the Colonies, in order to give effect to the understanding that may be arrived at with regard to the future relations between the Australian local force and the Royal Navy. The terms would be elastic and capable of adjustment from time to time by inter-communication between the two Governments.

I am to add that in making the foregoing observations my Lords presume that a satisfactory arrangement may be capable of being arrived at with the Dominion Government of New Zealand, which is a party to the present agreement.

I am, &c.,
W. GRAHAM GREENE.

No. 16.

AUSTRALIA.

THE SECRETARY OF STATE to THE GOVERNOR-GENERAL.

LORD, Downing Street, 11th February, 1908.
I HAVE the honour to acknowledge the receipt of Your Excellency's despatch of the 18th of December last,† enclosing a report of a speech by your Prime Minister on the question of defence.

I have read Mr. Deakin's important speech with much interest and have communicated copies of it to the Admiralty and the Army Council.

I have, &c.,
ELGIN.

As regards the establishment of the Recruiting Office a very small recruiting staff would be necessary—

Say, 1 Warrant officer (pensioned).
1 Pensioner petty officer recruiter.

A room would have to be hired at Sydney as headquarters and the warrant officer would travel as required. Pay and allowances to be granted as for recruiters at home.

IV.—SYSTEM OF RELIEFS.

Retention for a continuous period of five years in special work of this kind distinct from the general service would be prejudicial to the prospects of officers and men. Except in the case of the officer in charge, who would be a senior captain, and whose term of appointment might be for three years, it is considered that the only efficient system will be to limit the period of service of officers and men to the duration of a ship's commission, *i.e.*, two years, and with the object of maintaining continuity in the work of the flotilla to effect the relief of half the officers and men each year.

This could best be done by freight.

In the matter of advancement of ratings the Australian Service would be on the same footing as a foreign station and the advancement of the various ratings serving in the Australian vessels would follow the general rules of the service.

APPENDIX II.

FIRST COST AND ANNUAL MAINTENANCE OF VESSELS.

(Payments to be made by the Commonwealth Government direct.)

First Cost:—

Depôt ship for submarines	£150,000
Guns (8 6-pounders) and outfit of naval ordnance stores	4,000
	<u>£154,000</u>

Annual Maintenance, &c.:—

Repairs, sea stores, fuel, naval ordnance stores, &c.	£10,750
Depreciation (one-twentieth of £154,000)	7,700
	<u>£18,450</u>

First Cost:—

9 Submarines at £50,800 each	£457,200
Outfit of naval stores at £750 each	6,750
Outfit of torpedoes (7 each boat)	32,000
	<u>£495,950</u>

Say, £496,000

Annual Maintenance, &c.:—

Repairs, sea stores, petrol, naval ordnance stores, &c.	£20,000
Depreciation (one-fifteenth of £495,950)	33,000
	<u>£53,000</u>

First Cost:—

Depôt ship for destroyers	£150,000
Guns (8 6-pounders) and naval ordnance stores	4,000
	<u>£154,000</u>

No. 20.

NEW ZEALAND.

THE GOVERNOR to THE SECRETARY OF STATE.

(Received 21 April, 1908.)

[Answered by No. 23.]

MY LORD,

Wellington, 17 March, 1908.

It is with much satisfaction that I have the honour to enclose herewith a copy of a memorandum, which I have received from my Prime Minister, stating that the New Zealand Government propose to increase the subsidy made by this nation to the Imperial Navy from £40,000 to £100,000 per annum.

2. Your Lordship will observe that my Government in making this announcement expressly state that, realising the vital importance to New Zealand and the Empire generally of the Imperial Navy being under the sole control of those responsible for its direction, they do not seek to suggest any conditions regarding the station of His Majesty's ships in these waters.

I have, &c.,

PLUNKET,

Governor.

Enclosure in No. 20.

Prime Minister's Office,

Wellington, New Zealand, 16 March, 1908.

MEMORANDUM FOR HIS EXCELLENCY THE GOVERNOR.

The Prime Minister presents his compliments and desires that His Excellency will inform the Imperial Authorities that the New Zealand Government proposes to increase its subsidy to the Australian-New Zealand squadron to the sum of one hundred thousand pounds per annum, after the first October next. This date is fixed in order to give Parliament an opportunity of ratifying what is now proposed.

Recognising how important it is for the protection of the Empire that the Navy should be at the absolute disposal of the Admiralty, Your Excellency's Advisers do not desire to suggest any conditions as to the location of the ships, as they are confident that the truest interests of the people of New Zealand will be best served by having a powerful Navy under the independent control of those responsible for directing it in time of peace or war. What the Government does feel concerned in is that the Navy, in whatever part of the world it may be, should be under one control, so that the most effective results for the defence of all portions of the Empire may be assured.

It may not be found convenient to alter the present Naval Agreement, but the extra thousand pounds additional proposed will be paid to the British Government whether the Agreement is altered or not. If it is considered necessary to alter the present Agreement Your Excellency's advisers will be glad to know in what direction this should be done.

J. G. WARD.

No. 21.

NEW ZEALAND.

THE GOVERNOR to THE SECRETARY OF STATE.

(Received 21 April, 1908.)

[Answered by No. 25.]

MY LORD,

Government House, Wellington, 17 March, 1908.

I HAVE the honour to enclose herewith a copy of a memorandum which I have received from my Prime Minister, requesting that, if an opportunity presents itself, the Government should be given the option of acquiring from the Admiralty an

As regards the establishment of the Recruiting Office a very small recruiting staff would be necessary—

Say, 1 Warrant officer (pensioned).

1 Pensioner petty officer recruiter.

A room would have to be hired at Sydney as headquarters and the warrant officer would travel as required. Pay and allowances to be granted as for recruiters at home.

IV.—SYSTEM OF RELIEFS.

Retention for a continuous period of five years in special work of this kind distinct from the general service would be prejudicial to the prospects of officers and men. Except in the case of the officer in charge, who would be a senior captain, and whose term of appointment might be for three years, it is considered that the only efficient system will be to limit the period of service of officers and men to the duration of a ship's commission, *i.e.*, two years, and with the object of maintaining continuity in the work of the flotilla to effect the relief of half the officers and men each year.

This could best be done by freight.

In the matter of advancement of ratings the Australian Service would be on the same footing as a foreign station and the advancement of the various ratings serving in the Australian vessels would follow the general rules of the service.

APPENDIX II.

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Repairs, sea stores, fuel, naval ordnance stores, &c.	£10,750
Depreciation (one-twentieth of £154,000)	7,700
	<u>£18,450</u>

First Cost:—

9 Submarines at £50,800 each	£457,200
Outfit of naval stores at £750 each	6,750
Outfit of torpedoes (7 each boat)	32,000
	<u>£495,950</u>
Say,	£496,000

Annual Maintenance, &c.:—

Repairs, sea stores, petrol, naval ordnance stores, &c.	£20,000
Depreciation (one-fifteenth of £495,950)	33,000
	<u>£53,000</u>

First Cost:—

Depôt ship for destroyers	£150,000
Guns (8 6-pounders) and naval ordnance stores	4,000
	<u>£154,000</u>

icere appreciation of the action which is being taken and of the cordial and generous terms of the Prime Minister's memorandum.—CREWE.

No. 24.

NEW ZEALAND.

COLONIAL OFFICE to ADMIRALTY.

[Answered by No. 26.]

Downing Street, 27th April, 1908.

R, I AM directed by the Earl of Crewe to transmit to you, to be laid before the Lords Commissioners of the Admiralty, copy of a despatch* from the Governor of New Zealand expressing the intention of his Government to raise to £100,000 a year the contribution made by New Zealand towards the cost of the Royal Navy while not seeking to impose any conditions regarding the location of His Majesty's ships in their waters, together with copy of the telegraphic acknowledgment† sent to Lord Plunket.

2. Lord Crewe proposes, with the concurrence of their Lordships, to express the New Zealand Government the great satisfaction with which His Majesty's Government have learned of the desire of the Dominion Government to increase their contribution to the cost of the naval defence of the Empire and their readiness to leave the disposition of the fleet to the discretion of the Admiralty.

I am, &c.,
C. P. LUCAS.

No. 25.

NEW ZEALAND.

THE SECRETARY OF STATE to THE GOVERNOR.

Downing Street, 30 April, 1908.

Y LORD, I HAVE the honour to acknowledge the receipt of your despatch of the 17th March,‡ respecting the desire of your Government to obtain a larger training ship for the purpose of training New Zealand youths for the Imperial Navy and the mercantile marine.

I request that you will inform your Ministers that I have had pleasure in commending their request to the favourable consideration of the Lords Commissioners of the Admiralty, should their Lordships find themselves able to comply with it.

I have, &c.,
CREWE.

No. 26.

NEW ZEALAND.

ADMIRALTY to COLONIAL OFFICE.

(Received 28 May, 1908.)

Admiralty, 27 May, 1908.

R, I HAVE laid before my Lords Commissioners of the Admiralty your letter of the 27th ultimo,§ forwarding a copy of a despatch from the Governor of New Zealand expressing the intention of the Government of the Dominion to raise to £100,000 a year the contribution made by them towards the cost of the Royal Navy.

I am commanded to request that you will inform the Secretary of State for the Colonies that their Lordships fully concur with the cordial expression of thanks which Lord Crewe has caused to be telegraphed to the Governor, and they note with much satisfaction that the additional payment is unaccompanied by any condition whatever as to the location of His Majesty's ships in New Zealand waters.

* No. 20.

† No. 23.

‡ No. 21.

§ No. 24.

1 warrant officer and 1 petty officer (pensioners). The charge will, it is calculated amount to £350 per annum.

This is exclusive of the cost of the office and other recruiting expenses.

II.—*Annual Charge to be refunded by Australia in the form of a Subsidy in respect of Liabilities incurred by Imperial Funds.*

1. Half-pay of the additional captain, say, £265 per annum.

2. Retired Pay, Pensions, and Gratuities.—The liability on this account has been calculated on the basis usually employed, but it will be necessary to refer the rates to an actuary for revision before the estimate on this account is finally settled. For the present purpose the following figures may be taken:—

	per annum
79 Officers	£9,760
1,125 Men	20,970
	<u>£30,730</u>

A certain additional liability will also be incurred in respect of widow's pensions, educational grants to children, &c. There are not materials, however, for estimating the charge, but £1,000 per annum has been taken to cover the cost.

3. The annual subsidy will also have to include the cost of such training of officers and men as is carried out in the establishments at home. The estimated charges are as follows:—

(a) Cadets—

Cost of training cadets, based on the numbers required to be entered annually for the purpose of making good waste (say 5).

The average annual charge under this head (*i.e.*, for 20 cadets, each of whom will undergo four years' training) will be

£2,410
(b) Additional boys (seaman class) 2,160
(c) Additional boys (artificer) 768
(d) Additional mechanics 200

Per annum £3,128

Total for training £5,538

The figures at (b), (c), (d) include proportion of establishment charges, pay, victualling, medicines, clothing, &c.

4. Passage Charges.—Assuming that 600 officers and men be relieved annually in one party by *hired freight* the annual expense on their account would amount to £20,500, of which it is considered one-half should be payable by the Commonwealth Government.

III.—*Charges which may have to be defrayed by Australia direct or be refunded to Imperial Votes.*

Over and above the items detailed above there are certain charges which cannot on present information be allocated between headings I. and II., *e.g.*, the charge for the pay, &c., of reliefs might fall direct upon Imperial Votes or Australian Votes according to circumstances. Probably it may be found most convenient to add the charge to the subsidy.

Pay, &c., in respect of crossing reliefs.—Although it is not proposed to increase the establishment of officers for relief purposes, it is considered that Australia should bear a proportion of the liability as in the case of the men. On this assumption, the charge may be taken as 15 per cent. of the items detailed above as representing the cost of pay, wages, allowances, victualling, and medicines of officers and men. The figures will be:—

	per annum
In respect of officers	£3,003
In respect of men	9,340
	<u>£12,343</u>

Their Lordships desire me to point out that the working out of a very complicated scheme such as this is bound to be, must take a considerable time, as difficult questions constantly present themselves; they trust, therefore, that the Australian Ministers will not infer that no effort is being made to meet their wishes because some weeks may pass before a reply can be sent.

I am, &c.,
W. GRAHAM GREENE.

No. 28.

NEW ZEALAND.

THE SECRETARY OF STATE to THE GOVERNOR.

MY LORD, Downing Street, 29 May, 1908.

WITH reference to my despatch of the 30th of April,* I have the honour to request you to inform your Ministers that the Lords Commissioners of the Admiralty have given careful consideration to the application made by your Government for a larger training ship for the training of boys and men for the Imperial Navy and mercantile marine, but that, with every desire to meet the wishes of the Dominion Government in the matter, they regret that there is at present no suitable vessel available which could be placed at the disposal of the Dominion for this purpose.

2. Their Lordships would, however, be glad to advise and render all possible assistance in case your Government should desire to buy a vessel from the mercantile marine.

I have, &c.,
CREWE.

No. 29.

NEW ZEALAND.

THE SECRETARY OF STATE to THE GOVERNOR.

(Sent 6.40 p.m., 29 May, 1908.)

TELEGRAM.

My telegram 27 April.† Please express to your Ministers the great satisfaction with which His Majesty's Government have learned of the decision of Dominion Government to increase their contribution to the naval defence of the Empire and their readiness to leave disposition of fleet to decision of Admiralty.—CREWE.

No. 30.

AUSTRALIA.

THE SECRETARY OF STATE to THE GOVERNOR-GENERAL.

MY LORD, Downing Street, 29 May, 1908.

WITH reference to my telegram of the 21st April,‡ I have the honour to transmit to you, for the information of your Ministers, copy of a letter§ from the Admiralty dealing with the questions raised in your telegram of the 1st ultimo|| in connection with the proposed modification of the Naval Agreement.

I have, &c.,
CREWE.

* No. 25.

† No. 23.

‡ No. 22.

§ No. 27.

|| No. 19.

No. 37.

AUSTRALIA.

THE SECRETARY OF STATE to THE GOVERNOR-GENERAL.

(Sent 4.35 p.m., 24 August, 1908.)

TELEGRAM.

Admiralty letter* on naval scheme sent by mail 21 August.† It is too long to be telegraphed, and could not be adequately summarized.

Estimated capital cost: 6 destroyers, £473,500; 9 submarines, £496,000; 2 depôt ships, one for destroyers and one for submarines, £308,000; total, £1,277,500. Annual maintenance and depreciation, total £186,000. Personnel: 79 officers, 1,125 men; annual cost £160,000. This includes pay allowances, victualing, &c., and also non-effective pay, and is calculated on assumption that pay in active service will be the same as in Imperial Navy, and that officers and men not manning flotilla will be serving in Imperial fleet.—CREWE.

No. 38.

NEW ZEALAND.

THE SECRETARY OF STATE to THE GOVERNOR.

My LORD,

Downing Street, 25 September, 1908.

WITH reference to my despatch of the 29th of May,‡ I have the honour to transmit to you, for the information of your Ministers, copy of a despatch§ to the Governor-General of the Commonwealth of Australia forwarding the observations of the Admiralty on the proposed establishment of a local naval force in the Commonwealth.

I have, &c.,
CREWE.

No. 39.

NEW ZEALAND.

THE GOVERNOR to THE SECRETARY OF STATE.

(Received 3.15 a.m., 2 October, 1908.)

TELEGRAM.

[Answered by No. 40.]

My despatch, 17th March,|| Naval Subsidy Bill passed both Houses.—PLUNKET.

No. 40.

NEW ZEALAND.

THE SECRETARY OF STATE to THE GOVERNOR.

(Sent 5.33 p.m., 2 October, 1908.)

TELEGRAM.

Your telegram, 2nd October.¶ His Majesty's Government have received with much pleasure report of passing of Naval Subsidy Bill.—CREWE.

* No. 35. † See No. 36. ‡ No. 32. § No. 36. || No. 20. ¶ No. 39.

AUSTRALIA.

ADMIRALTY to COLONIAL OFFICE.

(Received 21 August, 1908.)

SIR, Admiralty, 20th August, 1908.
 WITH reference to Admiralty letters of 10th February, 1908,* and 29th May, 1908,† I am commanded by my Lords Commissioners of the Admiralty to acquaint you that they have made a careful enquiry into the scheme proposed by the Prime Minister of the Australian Commonwealth for the establishment of a local naval force in substitution for the existing Naval Agreement.

As stated earlier in the course of the correspondence, their Lordships have had a difficulty in fully comprehending the extent of the scheme as sketched by Mr. Deakin, but they believe that they may take it to have the following salient features.

The Commonwealth Government, undertaking the responsibility of local naval defence, will provide the destroyers, submarines, and depot ships constituting the flotilla, and maintain them fully equipped and efficient, and will also meet the expense of the pay, wages, provisions, and maintenance of the officers and men, who are to be provided by the Imperial Government, as many as possible of such officers and men being Australian citizens. The administrative control of the flotilla will rest with the Commonwealth Government, but the officers and men will form part of the Imperial Navy, and be subject to the King's Regulations and Admiralty instructions in all particulars. The force will be under naval discipline, administered in the same way as the Imperial Navy, the proper sequence of command being ensured by every officer from the Senior Officer downwards holding an Admiralty Commission. It is assumed that the Officer in chief command of the flotilla will take his orders from the Minister of Marine direct.

My Lords understand that the local flotilla will be employed in the territorial waters of the continent of Australia and of the dependencies that are under the administration of the Commonwealth Government. While in these waters, or while on the high seas passing from point to point in these territories, the ships and vessels forming the flotilla will be under the undivided control of the Commonwealth Government, but if they go to other places, they will then become subject to the directions of the Senior Naval Officer as representing the Imperial Government. This will not preclude the despatch of the ships on training cruises, arrangements being first made with the Naval Commander-in-Chief as to the programme the Government wish carried out.

In time of peace the vessels will be controlled and distributed in the waters of the Commonwealth without any interference from the Imperial Government, the only limitation being the necessity for the periodical transfer of officers and men from the flotilla to the fleet for training and other purposes, the arrangement of which will be determined by the Admiralty.

Mr. Deakin considered that in time of war or emergency the Commonwealth Government would place the flotilla under the orders of the Naval Commander-in-Chief, but he expressed the opinion that the decision must rest with the responsible Government at the time, it being understood that the vessels should not be moved out of Australian waters without the approval of the Commonwealth Government.

Such is the scheme in broad outline as my Lords have understood it, and they have made their enquiries on that understanding, and I am to state that if this is approximately correct, while their Lordships do not wish it to be inferred that they desire to modify their attitude on the subject of the Naval Agreement as previously explained, they do not anticipate any insuperable difficulty in carrying it out.

* No. 15.

† No. 27.

AUSTRALASIA.

CORRESPONDENCE

RELATING TO THE

NAVAL DEFENCE OF AUSTRALIA
AND NEW ZEALAND.

Presented to both Houses of Parliament by Command of His Majesty.
October, 1908.



LONDON:
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the inhabitants of the coast towns of the Commonwealth by the provision of a local force which will always be at hand. In the absence, therefore, of any direct contribution to the expenses of the Imperial Navy, my Lords will be ready to co-operate in the formation of such a flotilla, subject to a satisfactory understanding being arrived at in regard to the general administration of the force.

At the same time their Lordships cannot disguise from themselves the fact that the carrying out of the scheme will involve many difficulties, but it is hoped that with a readiness on both sides to overcome them, a satisfactory arrangement may be concluded. Many more details remain still to be considered and settled if an agreement is arrived at on the general lines indicated above, such as the manner in which the scheme is to be brought into operation, the settlement of the financial details, &c.

My Lords will accordingly await a further expression of opinion from the Commonwealth Government upon the scheme generally before proceeding to consider such further details.

I am to add that their Lordships understand that the question of the position of the present local defence force and of the Royal Naval Reserves will be considered separately and independently of the scheme referred to in this letter.

I am, &c.,
W. GRAHAM GREENE.

Enclosure in No. 35.

APPENDIX I.

SCHEME TO INCREASE THE ESTABLISHMENT OF THE IMPERIAL NAVY TO PROVIDE FOR THE LOCAL COMMONWEALTH FORCE.

I.—NUMBERS OF OFFICERS AND MEN REQUIRED.

The material is taken as:—

- 1 Depôt ship for submarines.
- 9 Submarines (C. Class).
- 1 Depôt ship for destroyers.
- 6 Destroyers (River Class).

Officers.

The actual number of officers allowed by complement is shown in Column I. of the annexed table. Looking at the short time that sub-lieutenants spend in that rank, and the general experience which they should then be acquiring to fit them for the rank of lieutenant, it would not be in the interests of these young officers to second them for Australian Service. It is proposed, therefore, to substitute for them lieutenants in the submarines and warrant officers in the destroyers. This is not an ideal arrangement, but it is preferable to the alternative of appointing sub-lieutenants to the Australian Service for one year only. On this arrangement the figures will be as shown in Column II. No allowance has been made for the usual sea percentage for leave, sickness, and crossing reliefs. So large an addition, however, to the numbers of lieutenants without corresponding increases in the higher ranks cannot be made without accentuating the difficulty of keeping up the proper flow of promotion. The figures have, therefore, been re-adjusted on the lines that junior captains can be employed in lieu of commanders in command of the two depôt ships, and junior commanders in command of the 6 destroyers in lieu of lieutenants and also as executive officer in each of the depôt ships. This would give a requirement of 3 captains 8 commanders and 32 lieutenants, and the total numbers on this basis to afford a fair ratio of promotion would work out to 4, 7, and

at slips, storage of stores, &c. If, however, Government docks, &c., are established for the depôt ships, destroyers, and submarines, it will be necessary to make other arrangements for the working of the Naval Establishment at Sydney than exist at present, and it would be desirable that the views of the Commonwealth Government should be stated before any steps are taken in this direction.

As the active service officers and men will form part of the Imperial Navy, no training establishments will be necessary at Sydney.

III.—TRAINING ESTABLISHMENTS IN ENGLAND.

Officers.

The officers appointed to the Australian submarines must be included with the "Submarine Service" as a whole, and therefore the Submarine Service establishment of officers must be increased by, say, 25. The additional numbers to be trained annually on this account apart from the provision of the initial numbers required will not be sufficiently large to be taken into consideration in estimating the expense, and this applies also to the gunnery, torpedo, and navigating lieutenants.

Training Colleges.

Leaving the higher ranks out of account the number of extra lieutenants and engineer officers to be provided to cover the Australian Service is about 50. As it takes about 9½ years from date of entry for a cadet to become a lieutenant, this number of lieutenants would be attained in the ordinary course by an original entry of 65 cadets. An entry of five annually should be provided to keep the number up.

As far as the lieutenants go, with the prospective state of that list there should be sufficient available by the time the Australian Service is started, and, in these circumstances, no entries are necessary to supply the initial numbers, leaving out of the question the fact that if entered now as cadets it would be 10 years before they could be available for service.

The numbers of medical and accountant officers are so small that they need not be taken into account in the matter of training.

The warrant officers can also be provided by promotion of the numbers required on the lists of qualified candidates; the establishment may or may not have to be slightly increased.

Men.

The Australian entries must be either in the continuous service or non-continuous service systems, modified perhaps in some respects to meet Australian conditions. As it is evidently the wish of the Commonwealth Government that they should furnish the Imperial Navy with Australian seamen, &c., to an extent at least equivalent to the additional numbers required on account of this service, it seems necessary to start a recruiting office in Australia. The men and boys could be entered in the usual way and sent to England for training, &c., to be drafted to the Australian ships as opportunities offer and as frequently in the course of their career as can be arranged with due regard to the requirements of those ships and the maintenance of an alternation of service between the Imperial and Australian Navies.

The numbers of all classes to be entered annually on the basis of continuous service to maintain the Australian force at a strength of 1,125 will be 70 to 80 and the cost of their training will be considerable. But as the men who man the Australian vessels will be part of the Imperial Navy and will be entered and trained on the usual course of the service, it will be difficult to apportion the cost which would fall on the Commonwealth Government. An estimate can, however, be based on:—

Seaman Class.—The cost of training a boy up to the time he goes to sea.

Stokers.—The cost of a man's course of instruction in the stoker training ships.

Mechanician.—The cost of the two years' course in the mechanical training establishments.

There need not be any appreciable increase in the training establishments at home either for the men's early instruction or for their training for non-substantive and higher substantive rates.

As regards the establishment of the Recruiting Office a very small recruiting staff would be necessary—

Say, 1 Warrant officer (pensioned).
1 Pensioner petty officer recruiter.

A room would have to be hired at Sydney as headquarters and the warrant officer would travel as required. Pay and allowances to be granted as for recruiters at home.

IV.—SYSTEM OF RELIEFS.

Retention for a continuous period of five years in special work of this kind distinct from the general service would be prejudicial to the prospects of officers and men. Except in the case of the officer in charge, who would be a senior captain, and whose term of appointment might be for three years, it is considered that the only efficient system will be to limit the period of service of officers and men to the duration of a ship's commission, *i.e.*, two years, and with the object of maintaining continuity in the work of the flotilla to effect the relief of half the officers and men each year.

This could best be done by freight.

In the matter of advancement of ratings the Australian Service would be on the same footing as a foreign station and the advancement of the various ratings serving in the Australian vessels would follow the general rules of the service.

APPENDIX II.

FIRST COST AND ANNUAL MAINTENANCE OF VESSELS.

(Payments to be made by the Commonwealth Government direct.)

First Cost:—

Depôt ship for submarines	£150,000
Guns (8 6-pounders) and outfit of naval ordnance stores	4,000
	<u>£154,000</u>

Annual Maintenance, &c.:—

Repairs, sea stores, fuel, naval ordnance stores, &c.	£10,750
Depreciation (one-twentieth of £154,000)	7,700
	<u>£18,450</u>

First Cost:—

9 Submarines at £50,800 each	£457,200
Outfit of naval stores at £750 each	6,750
Outfit of torpedoes (7 each boat)	32,000
	<u>£495,950</u>
	Say, <u>£496,000</u>

Annual Maintenance, &c.:—

Repairs, sea stores, petrol, naval ordnance stores, &c.	£20,000
Depreciation (one-fifteenth of £495,950)	33,000
	<u>£53,000</u>

First Cost:—

Depôt ship for destroyers	£150,000
Guns (8 6-pounders) and naval ordnance stores	4,000
	<u>£154,000</u>

Annual Maintenance, &c. :—

Repairs, sea stores, coal, naval ordnance stores, &c.	£10,750
Depreciation (one-twentieth of £154,000)	7,700
	<u>£18,450</u>

First Cost :—

6 River Class destroyers at £76,500 each	£459,000
Outfit of naval stores at £750 each	4,500
Guns (4 12-pounders) and naval ordnance stores	10,000
	<u>£473,500</u>

Annual Maintenance, &c. :—

Repairs, sea stores, coal, naval ordnance stores, &c.	£64,500
Depreciation (one-fifteenth of £473,500)	31,600
	<u>£96,100</u>

Summary.

	First Cost.	Annual Maintenance and Depreciation.
	£	£
Depot ship for submarines	154,000	18,450
9 submarines (C. Class)	496,000	53,000
Depot ship for destroyers	154,000	18,450
6 River Class destroyers	473,500	96,100
Total	1,277,500	186,000

APPENDIX III.

*Personnel.*I.—*Annual Charges to be paid by the Commonwealth Government direct.*

1. It is understood that the additional officers required will number 79, the ranks being those given in the attached schedule, and that 78 will be continuously employed in the Australian Flotilla, one captain being on half-pay.

On this basis it is estimated that the direct charges to be met by Australia in respect of the officers will be as follows:—

For 78 officers:—

	per annum.
Pay and allowance	£18,786
Extra pay (hardlying money and submarine pay)	2,518
Victualling at 10d. a day	1,186
Medicines at 10s. a year	39
	<u>£22,529</u>

2. For the 975 ratings to be employed in the flotilla the direct charges will be approximately:—

	per annum.
Wages and allowances	£46,944
Extra pay (hardlying money and submarine pay)	8,870
Victualling at 10d. a day	14,829
Medicines at 10s. a year	437
	<u>£71,130</u>

3. The Commonwealth will also pay direct the recruiting staff proposed, viz.,

1 warrant officer and 1 petty officer (pensioners). The charge will, it is calculated, amount to £350 per annum.

This is exclusive of the cost of the office and other recruiting expenses.

II.—*Annual Charge to be refunded by Australia in the form of a Subsidy in respect of Liabilities incurred by Imperial Funds.*

1. Half-pay of the additional captain, say, £265 per annum.
2. Retired Pay, Pensions, and Gratuities.—The liability on this account has been calculated on the basis usually employed, but it will be necessary to refer the rates to an actuary for revision before the estimate on this account is finally settled. For the present purpose the following figures may be taken:—

	per annum.
79 Officers	£9,760
1,125 Men	20,970
	£30,730

A certain additional liability will also be incurred in respect of widow's pensions, educational grants to children, &c. There are not materials, however, for estimating the charge, but £1,000 per annum has been taken to cover the cost.

3. The annual subsidy will also have to include the cost of such training of officers and men as is carried out in the establishments at home. The estimated charges are as follows:—

(a) Cadets—

Cost of training cadets, based on the numbers required to be entered annually for the purpose of making good waste (say 5).

The average annual charge under this head (*i.e.*, for 20 cadets, each of whom will undergo four years' training) will be

(b) Additional boys (seaman class)	£2,410
(c) Additional boys (artificer)	2,160
(d) Additional mechanicians	768
	200

Per annum £3,128

Total for training £5,538

The figures at (b), (c), (d) include proportion of establishment charges, pay, victualling, medicines, clothing, &c.

4. Passage Charges.—Assuming that 600 officers and men be relieved annually in one party by *hired freight* the annual expense on their account would amount to £20,500, of which it is considered one-half should be payable by the Commonwealth Government.

III.—*Charges which may have to be defrayed by Australia direct or be refunded to Imperial Votes.*

Over and above the items detailed above there are certain charges which cannot on present information be allocated between headings I. and II., *e.g.*, the charge for the pay, &c., of reliefs might fall direct upon Imperial Votes or Australian Votes according to circumstances. Probably it may be found most convenient to add the charge to the subsidy.

Pay, &c., in respect of crossing reliefs.—Although it is not proposed to increase the establishment of officers for relief purposes, it is considered that Australia should bear a proportion of the liability as in the case of the men. On this assumption, the charge may be taken as 15 per cent. of the items detailed above as representing the cost of pay, wages, allowances, victualling, and medicines of officers and men. The figures will be:—

	per annum.
In respect of officers	£3,003
In respect of men	9,340
	£12,343

IV.—*Addition of a Sum to cover variations in Rates of Pay, &c.*

In order to cover contingencies which may arise, either before or after the arrangement is settled, an addition should be made to the estimate. Without a margin Imperial funds may have to bear the cost of improvements in effective non-effective pay or of unavoidable variations due to the advancement of ranks and ratings in such a way as would involve differences between the numbers proposed and those actually borne. This expense has been estimated at 5 per cent. full pay and allowances and non-effective pay, the additional charge for which would be approximately £5,450, distributed as follows:—

	Effective Pay.	Non-effective Pay.
Officers	£ 1,165	£ 487 per annum.
Men... ..	2,790	1,053 "
Total	3,955	1,540 "
	£5,495 per annum.	

A statement follows summarising the annual charges in respect of personnel:—

<i>Annual.</i>	
I.	
(1)	£22,529
(2)	71,130
(3)	350
	£94,009
II.	
(1)	£265
(2)	31,730
(3)	5,538
	37,533
Passages on relief	10,250
III.	
(1)	£12,343 12,343
IV.	
(1)	£5,495 5,495
	£159,630
Total annual charge in respect of personnel (say) £160,000	

No. 36.

AUSTRALIA.

THE SECRETARY OF STATE TO THE GOVERNOR-GENERAL.

LORD,

Downing Street, 21 August, 1908.

WITH reference to my telegram of the 5th of June,* I have the honour to transmit to Your Excellency, for the information of your Ministers, copy of a letter from the Admiralty explaining in detail the proposed scheme for the establishment of local naval force in substitution for the existing naval agreement.

2. His Majesty's Government trust that the explanation may prove of service to your Ministers in the consideration of the question, and they will be glad to afford further information which your Ministers may desire to have.

I have, &c.,
CREWE.

* No. 34.

† No. 35.

No. 37.

AUSTRALIA.

THE SECRETARY OF STATE to THE GOVERNOR-GENERAL.

(Sent 4.35 p.m., 24 August, 1908.)

TELEGRAM.

Admiralty letter* on naval scheme sent by mail 21 August.† It is too long to be telegraphed, and could not be adequately summarized.

Estimated capital cost: 6 destroyers, £473,500; 9 submarines, £496,000; 2 depôt ships, one for destroyers and one for submarines, £308,000; total, £1,277,500. Annual maintenance and depreciation, total £186,000. Personnel: 79 officers, 1,125 men; annual cost £160,000. This includes pay allowances, victualing, &c., and also non-effective pay, and is calculated on assumption that pay in active service will be the same as in Imperial Navy, and that officers and men not manning flotilla will be serving in Imperial fleet.—CREWE.

No. 38.

NEW ZEALAND.

THE SECRETARY OF STATE to THE GOVERNOR.

MY LORD,

Downing Street, 25 September, 1908.

WITH reference to my despatch of the 29th of May,‡ I have the honour to transmit to you, for the information of your Ministers, copy of a despatch§ to the Governor-General of the Commonwealth of Australia forwarding the observations of the Admiralty on the proposed establishment of a local naval force in the Commonwealth.

I have, &c.,
CREWE.

No. 39.

NEW ZEALAND.

THE GOVERNOR to THE SECRETARY OF STATE.

(Received 3.15 a.m., 2 October, 1908.)

TELEGRAM.

[Answered by No. 40.]

My despatch, 17th March,|| Naval Subsidy Bill passed both Houses.—PLUNKET.

No. 40.

NEW ZEALAND.

THE SECRETARY OF STATE to THE GOVERNOR.

(Sent 5.33 p.m., 2 October, 1908.)

TELEGRAM.

Your telegram, 2nd October.¶ His Majesty's Government have received with much pleasure report of passing of Naval Subsidy Bill.—CREWE.

* No. 35.

† See No. 36.

‡ No. 32.

§ No. 36.

| No. 20.

¶ No. 39.

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Presented to both Houses of Parliament by Command of His Majesty.
October, 1908.



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