(**v**.)

NEW ZEALAND.

Summary of result of meetings:

PRESENT:

The Right Honourable R. K. McKENNA, M.P., First Lord of the Admiralty (in the Chair).

Admiral of the Fleet Sir John Fisher, G.C.B., O.M., First Sea Lord of the Admiralty.

Rear-Admiral the Hon. A. E. Bethell, C.M.G., Director of Naval Intelligence.

W. Ğraham Greene, Esq., C.B., Assistant Secretary of the Admiralty. Rear Admiral Sir C. L. Ottley, K.C.M.G., M.V.O., Secretary to the Committee of Imperial Defence.

New Zealand:

The Right Honourable Sir J. G. WARD, K.C.M.G., Prime Minister and Minister of Defence.

Colonel R. H. DAVIES, C.B.

Captain J. R. Chancellor, D.S.O., Assistant Secretary to Imperial Conference.

The proceedings which took place at the various meetings are summed up in the form of a letter from Sir Joseph Ward to the First Lord of the Admiralty, and a reply from the latter, which are printed in full.

DEAR MR. McKenna,

11th August, 1909.

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

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

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

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

New Zealand's maritime interests in her own waters and her dependent islands in the Pacific would, under the altered arrangements, be almost entirely represented by the Australian Fleet unit, and not, as at present, by the Imperial Fleet. This important fact I consider necessitates some suitable provision being made for New Zealand, which country has the most friendly feeling in every respect for Australia and its people, and I am anxious that in the initiation of