

become the flag ship of the China Pacific unit, and that a portion of the China Pacific unit was to remain in New Zealand waters, two of the New 'Bristol' cruisers, together with three destroyers and two sub-marines were to be detached from the China station in time of peace and stationed in New Zealand waters, that the flagship should make periodical visits to New Zealand waters; and that there should be an interchange in the service of the cruisers between New Zealand and China. The ships were to be manned as far as possible, by New Zealand officers and men. New Zealand was to continue her contribution of \$100,000 per annum which was to "be used to pay the difference in the rates of pay to New Zealanders above what would be paid under the ordinary British rate," any balance to be at the disposal of the Admiralty. (See report page 60).

The Australian and Canadian Methods were to be the Same.

It will thus be seen that the agreement which was come to at the Conference of 1909 was that **Canada and Australia should each undertake local Naval services to be part of and in co-operation with the rest of the British Navy**, the only difference being that Australia would undertake one complete fleet unit to be stationed in Australian waters, Canada would incur a like expenditure, but divide it between ships to be stationed on the Atlantic and Pacific coasts. **New Zealand was to present a Dreadnought and to continue her practice of money contribution**, though this was to be in consideration of ships being officered and manned by New Zealanders, maintained, and, excepting the Dreadnought, built at the expense of Great Britain, and stationed in or near New Zealand waters, as part of fleet units intended for the protection of her own coasts.

Here are the two policies at present before the country: the Laurier policy, of a Canadian Naval service, corresponding to the Australian. The Borden policy of contribution by the presentation of three Dreadnoughts, corresponding to the New Zealand contribution of one Dreadnought and money, with these differences that in the case of New Zealand, the Government of that Dominion took care to secure from the Home Government a guarantee of coast protection, far in excess of what her contributions amount to, also the actual stationing of ships in New Zealand waters and opportunities of service by New Zealand officers and men, whereas the present Canadian Government, while beginning with a contribution of thirty-five million dollars, has made no provision of any kind.

How the Agreement with the Admiralty has been Carried Out.

It was in accordance with this arrangement that Sir Wilfrid Laurier introduced and the Canadian Parliament in May 1910 passed the **Act respecting a Canadian Naval Service**, under which while the Liberals were in power a beginning was made with the organization of a Canadian Service in accordance with the agreement reached.

Australia carrying out her part of the agreement enacted on November 25th, 1910 an act relating to Naval defence, which is