Fifth Day. 23 April 1907.

NAVAL DEFENCE. (Sir Joseph Ward.) a place called Point Elizabeth near Greymouth, and the finest coal in the. world could there be put aboard ships loading down to any ordinary If we can arrive, as I hope may be the case, at some system of meeting the local sentiments of these self-governing countries as to how those ships, under the control and disposition of the Board of Admiralty always, should be equipped and manned, I think the coaling matter is of sufficient importance to enable us to probably arrive at a basis which in the course of a year or so we might be able to put into practical shape. I want to take this opportunity of saying to Lord Tweedmouth that the difficulty which has presented itself by having two rates of pay on board the ships in our waters is one that we cannot lose sight of in considering the matter with a view to having it placed upon a better basis. The rates of pay generally in the Colonies are higher than they are in the old world. to meet the natural sentiment of the people there the Admiralty have, with very great consideration, in the past agreed to a dual system of pay on board Under that differentiation of pay there naturally must arise a certain amount of friction and dissatisfaction, especially on the part of a man who is working side by side with his fellow on board any of the ships who is receiving a much lower rate of pay than the Australian or New Zealander is. That statement seems to me to emphasise the great importance and desirability of these vessels being manned entirely, so far as the crews are concerned, from the Colony itself, and probably a rate of pay could be fixed by which they could be borne in sufficient numbers to meet the position now filled by a portion of the men being drawn from the old land, and a portion from the new land. In any case, if it cannot be arranged in the way I am endeavouring to suggest, New Zealand will be quite prepared to have what I know has been talked of and referred to in despatches, the system of deferred pay for our men put into operation, so that they may draw the same rate of pay as the British men on board those vessels until the time came for paying them off, when that deferred pay would be paid I need not, because it must be very familiar to Lord Tweedmouth and those associated with him, refer to the troubles which arise owing to the higher class of pay being paid to the men in these places now.

I want to make it clear upon the details of any scheme for the betterment of the Navy and for the more effective working of it, that I should be only too glad with my friend Mr. Deakin and any of the other gentlemen here to have an opportunity of conferring with those who are responsible and with Lord Tweedmouth, who has made such valuable suggestions to us to-day.

I will not take up the time of the Conference further at present upon this matter. I have a great deal of detailed information in my possession. I hope as the outcome of the Conference that we are having with the responsible representatives of the Board of Admiralty and the British Government here, that if each Colony wishes separate treatment, as has been referred to by Lord Tweedmouth, we will get it. I am sure we will be able to arrive at it, while allowing the people of the respective countries through their Governments to carry out such a local system as they believe to be best suited to their individual circumstances. I look forward to the outcome of the discussions which we are having across this table as going in the direction of enabling us to join with the Board of Admiralty and the British Government in helping generally in making our Navy stronger and better than it is at present.