

2. It is understood that the present Naval Agreement will cease when the existing Australian Squadron is relieved by the new Australian Fleet Unit.

3. I would therefore submit I may receive their Lordships' directions as to whether men are to continue to be recruited for five years; if so, under what conditions of transfer to the new Australian Fleet Unit?

4. I am of opinion that, if the question of transfer from the Imperial service to the Australian service is considered, men should be given the option of either being transferred or of taking their discharge, as it is believed that many of the men are at present disinclined to transfer.

5. The same question applies to New Zealand entries, with the difference that the New Zealand detachment of the China Fleet Unit will be, and will continue to be, under the control of the Admiralty.

6. I would also request I may be informed whether men of the Australian Naval Forces who volunteer to proceed to England for higher training are to continue to be sent, observing that these men sign a further engagement for five years from date of leaving for England, and that the next draft can be sent Home with the paid-off crew of "Challenger" in October next.

I have, &c.,

R. POORE, Vice-Admiral,
Commander-in-Chief.

The Secretary to the Admiralty.

SIR,—

Admiralty, 11th April, 1910.

My Lords Commissioners of the Admiralty have had under consideration your submission of the 17th February last, No. 57/R. 22, inquiring whether the recruiting of Australians and New-Zealanders is to proceed under the Australian Naval Agreement of 1903, and, if so, what will be their position on the termination of the agreement in 1913.

In reply, I am to inform you that men should continue to be entered under the present regulations, and those who volunteer for higher training should be sent to England as before.

The disposal of Australian ratings after the termination of the present agreement must depend upon arrangements to be made between the Australian Government and the Admiralty, and, until these have been determined, no definite information can be given on the subject.

Recruits should be informed that on the termination of the present agreement they will be liable to be transferred to the new Australian Naval Force on the same conditions generally as those now governing their service in the Royal Navy.

As far as New-Zealanders are concerned, it is anticipated that they will remain in the Imperial service under the same general conditions as at present, but until matters are in a more advanced stage it is not possible to make any definite statement.

I am, &c.,

C. I. THOMAS.

The Commander-in-Chief, H.M. Ships and Vessels, Australia.

No. 14.

New Zealand, No. 87.

MY LORD,—

Downing Street, 22nd April, 1910.

In continuation of my telegram of the 13th April, I have the honour to request that you will inform your Ministers that the Board of Trade have called attention to certain further points in the New Zealand Shipping and Seamen Amendment Act, 1909.

2. The Board observe that clause 8 of the Act provides that a seaman engaged to be entered on board any British ship in New Zealand shall have a sufficient knowledge of the English language to understand orders. This provision is similar to that contained in section 12 of the Imperial Merchant Shipping Act, 1906, but it differs from the latter in that it contains no exemption in favour of British subjects or inhabitants of a British protectorate, or lascars.

3. Clause 37 of the New Zealand Act is passed on the analogy of section 3 of the Imperial Act of 1906, and applies the provisions of the principal New Zealand Act in regard to grain-cargoes to foreign ships. The Board of Trade point out, however, that the provisions of the principal Act relating to grain-cargoes are not the same as those contained in the Imperial Act.

4. Without knowing what regulations (if any) have been issued under section 419 (4) of the principal Act, relating to the loading of cargo in bulk, it is not possible for the Board to form an opinion as to whether the treatment of foreign grain-ships in New Zealand will be such as to conflict with their treatment in ports of the United Kingdom.

5. The Board also call attention to the substitution, by a misprint, of the word "and" for "or" in section 36, line 2, page 12, of the Act.

6. His Majesty's Government will be glad to receive in due course the observations of your Ministers on the points raised by the Board of Trade.

I have, &c.,

CREWE.

Governor the Right Hon. Lord Plunket, G.C.M.G., K.C.V.O., &c.