THE TOO VAST ORB
THE ADMIRALTY AND AUSTRALIAN NAVAL DEFENCE 1881-1913

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"The Weary Titan staggers under the too vast orb of its fate."

Joseph Chamberlain
1902 Colonial Conference
This thesis contains no material which has been accepted for the award of any other degree or diploma in any university and, to the best of my knowledge, it contains no material previously published or written by another person, except where due reference is made in the text of the thesis.

M. Briggs
SUMMARY

The subject of this study is the relationship between the Admiralty and the Australian colonies, and subsequently the Commonwealth of Australia, from 1881 to 1913. Of main concern is Admiralty policy; its objectives, the way in which it was determined, and the factors which shaped it.

The three decades examined in this study saw fundamental changes in the relationship between the Admiralty and Australia. Federation and the growth of nationalist sentiment encouraged Australian efforts to develop a local navy. These efforts were rewarded with the establishment of the Royal Australian Navy in 1911. This period also saw major changes in Britain's strategic and economic circumstances and the decline of the Royal Navy relative to the other great navies of the world. Students of British naval policy have tended to overlook the Admiralty's relationship with colonies such as Australia, concentrating on relations with the great powers, in particular the naval race with Germany. Of those studies which do mention Australia, many have emphasized the role developing nationalist sentiment in Australia played in changing the
Admiralty's policy on dominion naval defence. Historians from C.P. Lucas to Donald Gordon have implicitly or explicitly criticized Australia for pressing for a local navy in the face of cogent strategic arguments by the Admiralty. Such criticism, however, does not take into account the extent to which changes in the Admiralty's position on Australian naval defence were initiated by the Admiralty themselves as a result of changes in their strategic and financial circumstances. While it is acknowledged that developing Australian nationalism and Australian efforts to establish a local navy did influence the Admiralty's thinking on Australian naval defence, this study argues that changes in the Admiralty's attitude were primarily a response to broader changes in Britain's strategic and financial position.

This study begins in the early 1880s when a series of incidents involving the Australian colonies highlighted the problems posed for Britain when the colonies established their own local naval defence forces. The upshot of these incidents was the 1887 naval agreement. While the 1887 agreement has often been linked with the Imperial Federation movement, which was active at the time, it is claimed here that the agreement was devised by the Admiralty primarily to undermine naval development in the Australian colonies. As such it formed the basis for future relations
between the Admiralty and Australia until changing strategic and financial circumstances forced the Admiralty to rethink their policy of discouraging colonial naval forces.

From the turn of the century the Admiralty's advice to Australia on naval matters undergoes frequent, often contradictory, changes. This study examines these changes in the context of, and as a reflection of, Britain's deteriorating strategic and financial circumstances and domestic political situation. Extensive use is made of Admiralty materials, especially the internal memoranda of the influential Naval Intelligence Department, in order to reveal the factors which shaped the Admiralty's Australian policy. The Naval Intelligence Department material has been little studied in regard to Australian naval defence.

A major section of this study is devoted to examining the 1909 proposal by the Admiralty for the establishment of a Pacific Fleet. The Pacific Fleet scheme, with its provision for ocean-going colonial 'fleet units', was a major departure by the Admiralty from their policy of discouraging naval development by the colonies. It also appears at odds with the programme of fleet concentration and rationalization which the Admiralty was engaged in at the time. Perhaps because of this, and the fact the scheme was
short-lived, being abandoned by Britain only two years after it had first been mooted, it has been ignored by historians or dismissed as an aberration not worthy of much attention. This study argues that the Pacific Fleet scheme was a genuine proposal by the Admiralty to reassert British sea power in the Pacific and it shows how a series of fortuitous events led the Admiralty to believe that a new Pacific Fleet was possible, even in the midst of the naval race with Germany.
ACKNOWLEDGEMENTS

I first began researching this subject in 1986 following a suggestion by the late Professor Arthur J. Marder during a visit, some years earlier, to the University of Tasmania. It has been a long haul for a part-time student working largely in a remote part of what many would say was an already remote island. During this time I have incurred debts to a number of people. I would like to thank Dr. Richard Ely and Professor Michael Roe, my supervisors, for their advice and assistance. I would also like to thank Mr. Ray Jones, who read the earlier chapters, for his comments and encouragement.

From the research point of view I am grateful for the assistance of the staffs of the Public Record Office and National Maritime Museum in London, the Australian Archives in Canberra and Melbourne, the Australian National Library, and the Libraries of the Australian National University and the University of Tasmania. I would also like to thank Mr. J. Mackenzie, the Royal Australian Navy Historical Officer, for allowing me to examine material held by the Department of Defence.
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ABBREVIATIONS

A.A.O.(C) Australian Archives Office (Canberra)
A.A.O.(M) Australian Archives Office (Melbourne)
Adm Admiralty Papers
G.B.P.D. Great Britain Parliamentary Debates
G.B.P.P. Great Britain Parliamentary Papers
Cab Cabinet Papers
C.D.C. Colonial Defence Committee
C.I.D. Committee of Imperial Defence
CO Colonial Office Papers
C.P.D. Commonwealth of Australia Parliamentary Debates
C.P.P. Commonwealth of Australia Parliamentary Papers
D.N.I. Director of Naval Intelligence
N.M.M. National Maritime Museum (Greenwich)
N.I.D. Naval Intelligence Department
N.L.A. National Library of Australia (Canberra)
O.D.C. Overseas Defence Committee
P.R.O. Public Record Office (London)
R.A.N.A. Royal Australian Naval Archives (Canberra)
INTRODUCTION

The purpose of this study is to explore the factors which shaped the Admiralty's attitude to Australian naval defence from the early 1880s until 1913 when Australia assumed responsibility for the naval defence of its own waters. The major events in Anglo-Australian relations which form the basic narrative of this study are outlined in a number of works, notably those of Jose, Lucas and Tunstall. Of more recent vintage is Richard Preston's *Canada and 'Imperial Defense'* which, despite its title, deals with the other dominions as well as Canada. The student of Australian defence policy is also well served, in particular by the pioneering work of Leon Atkinson and, pursuing a somewhat different purpose, the excellent recent study by Neville Meaney. Admiral Creswell, the leading


campaigner in Australia for a national navy and subsequent First Naval Member of the Australian Naval Board, has been the subject of a biography by Stephen Webster.\(^4\) My debt to all these authors must be constantly apparent. There is to my knowledge, however, no single work devoted to the factors which shaped the Admiralty's position on Australian naval defence. Indeed the aims and motives of the Admiralty in their dealings with Australia have been of only incidental concern to historians. The histories of British naval policy before the First World War have dealt primarily with technological developments and Britain's relations with the great powers, especially Germany. They hardly mention Australia. Only Donald Gordon has considered at length the relationship between the Admiralty and the dominions and made wide use of Admiralty materials.\(^6\)


\(^6\) Donald C. Gordon, *The Dominion Partnership in Imperial Defence 1870-1914*, (Baltimore, 1965) and "The Admiralty and the Dominion Navies, 1902-1914", *Journal of Modern History*, Vol. XXXIII, (December, 1961), pp. 407-422. Mention must also be made of the recent volume by John Bach, *The Australia Station: A History of the Royal Navy in the South West Pacific 1821-1913*, (Sydney, 1986). This excellent work, which appeared while the present study was in progress, covers the full range of the Royal Navy's association with Australia though only a short chapter is devoted to Australian naval defence.
In the past writers dealing with Anglo-imperial defence relations have concentrated on the growth of national feeling in the dominions and their lack of enthusiasm for British schemes of 'imperial defence'. The dominions generally have been much criticized for the supposedly negative effect of their attitude upon British defence preparations before 1914. 8 From a naval viewpoint Australia has been seen as parochial and unco-operative, forcing the Admiralty to adjust its policy to meet local wishes with the result that imperial naval strength and efficiency was weakened. Henry Hall described Australia's attitude to naval defence before 1914 as "selfish" and reproached Australia for its failure to make full allowance for imperial necessities. 7 A.F. Madden has stated that "only under the immediate dynamics of total war .... was dominion particularism prepared to make concessions to the 'associate principle' in an undemanding fellowship." 8 "National sentiment", W. K. Hancock claimed in 1937, "triumphed over imperial sentiment,

8. On this see Preston, op. cit., pp. i-viii.


supported though it was by the most cogent strategic arguments."

By concentrating upon the growth of dominion nationalism and demands from Australia and later Canada for separate navies, writers such as Hancock have created the impression that dominion feeling was the driving force in Anglo-imperial naval relations. "The Dominions", A.B. Keith concluded, "wished to have ships under their control which they could see and touch, and these feelings were facts which would govern events." Even comparatively recent writers have seen dominion nationalism as the main factor shaping Admiralty policy toward Australia. Donald Gordon, whose works constitute the major reference in this field, claimed that the 1902 naval agreement "foundered on the rocks of Australian national feeling", while the Admiralty's acceptance of local torpedo boat flotillas in 1907 was due to a "recognition of the political realities in some of the dominions." More recently Nicholas D'Oombrain has also pointed to the "vocal demand for the establishment of separate Dominion navies" as the key

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factor in changing the Admiralty's position on colonial naval defence.\textsuperscript{12}

The importance these authors have attached to dominion feeling in shaping Admiralty policy is scarcely surprising. Pressure from the colonies was customarily cited by the Admiralty in their public statements as an explanation for changes in their position on colonial naval defence. Recently, however, the accuracy and completeness of the Admiralty's public explanations and justifications has been questioned. "Public discussions or even published official statements by the Admiralty", Paul Kennedy has noted, "did not always represent the true strategy, or only represented it in a very one-sided way."\textsuperscript{13} Professor Kennedy is referring to matters of broad strategy but his comment holds true for a number of important statements by the Admiralty relating to Australian naval defence. This is not to say that dominion feeling was not important or did not influence the position taken by the Admiralty. This study will argue, however, that the role of dominion feeling in influencing Admiralty policy has been over-emphasized. Changes in


the Admiralty's position on Australian naval defence, it is claimed, were often the result of strategic, economic and domestic political factors which had little to do with the situation in the colonies but which were portrayed by the Admiralty as a response to colonial demands for public relations purposes.

Of the factors which shaped the Admiralty's attitude to Australian naval defence, one that has been noted by a number of writers was the aversion within the Admiralty to the development of local naval forces. This opposition to local navies has often been attributed to the rise of 'blue water' strategic theory in the 1890s. 'Blue water' strategy emphasized naval concentration for the decisive battle in which the command of the sea would be decided. In the view of 'blue water' theorists local navies were a dilution of imperial resources and 'blue water' arguments were regularly used by the Admiralty to discourage local naval development. In this study, however, it is suggested that 'blue water' theory merely reinforced an existing prejudice within the Royal Navy. Admiralty opposition to the development of local navies, it is claimed, can be traced back to the early 1880s when a series of incidents highlighted the difficulties colonial navies could pose for British foreign policy.

Perhaps the most important factor shaping the Admiralty's position on Australian naval defence,
however, was British naval decline. For much of the nineteenth century the Royal Navy had been the unchallenged master of the world's oceans. From the 1890's, however, competition from European powers and the rise of the United States and Japanese navies outside of Europe began to erode this supremacy. Whereas in 1880 Britain possessed as many battleships as all the other navies of the world combined, by 1890 this superiority had shrunk to equality with the next two greatest naval powers, the so-called 'two power standard', and by 1912 Britain was struggling to maintain an adequate measure of superiority over only one navy, that of Germany.\(^{14}\) Faced with a choice of either spending vastly more on her navy or accepting a gradual contraction of British sea power Britain chose the latter.\(^{16}\) From the point of view of Admiralty-Australian relations this meant the Admiralty was increasingly less able to make concessions to the colonies in order to secure objectives such as the

\(^{14}\) On the general decline of British sea power before 1914 see Paul Kennedy, *The Rise and Fall of British Naval Mastery*, (London, 1976).

\(^{16}\) The growth of British expenditure on naval defence during this period is shown in Appendix A. It should be noted, however, that while contemporary economists were alarmed at the growth of British defence expenditure the amount Britain was spending on defence as a percentage of gross national product, even during the heady years of the naval race with Germany, was less than Britain was spending in the 1970s and 1980s. See Philip Pugh, *The Cost of Sea Power: The Influence of Money on Naval Affairs from 1815 to the Present Day*, (London, 1986).
discouragement of local naval forces. The restrictions on the movement of subsidized vessels which had been accepted by the Admiralty in 1887 could not comfortably be condoned in 1902, while the 1902 naval agreement, it is argued here, foundered not, as Gordon suggests, because of national feeling in Australia but because of pressure on the Admiralty from within Britain to rationalize their forces in line with moves to contain government expenditure on defence.

While the Admiralty's misgivings at local naval development and the impact of British naval decline were important in shaping the Admiralty's attitude to Australian defence, it was frequently short-term considerations, often relating to political concerns in Britain, which decided the position the Admiralty adopted at any given point in time. The 1887 agreement, for example, has often been seen as an upshot of the imperial federation movement of the 1880s. In this study, however, it is argued that the 1887 agreement was primarily an improvised response by the Admiralty to the dangers for Britain in the continued expansion of colonial navies. Likewise the Admiralty's abandonment of its policy of deterring the development of colonial navies in 1907 is interpreted here as primarily the result of the Liberal government's determination to reduce naval expenditure in order to meet its promise of increased spending on social
welfare. In this respect this study supports the conclusions of Aaron Friedberg in his recent book *The Weary Titan: Britain and the Experience of Relative Decline 1895-1905*. Concerned with testing theoretical models of national self-assessment against historical events, Friedberg argues that the traditional picture of Britain's adjustment to deteriorating strategic circumstances has overstated the extent to which the British leadership was pursuing a coherent and calculated policy. Britain's response, he claims, was "largely ad hoc and opportunistic." 17

A major section of this study is devoted to examining the 1909 proposal by the Admiralty for the establishment of a new British fleet in the Pacific. The Pacific Fleet scheme appears at odds with the programme of fleet rationalization and concentration being undertaken by the Admiralty at the time. Britain was engaged in a tense struggle for naval supremacy with Germany and 1908 had seen the greatest naval crisis in Britain since the 1880s. Perhaps because of this, and the fact the scheme was short-lived, being abandoned by the Admiralty only two years after it had first been mooted, it has been neglected by historians or rejected as an aberration not worthy of much attention. Richard Preston, for example, suggests that


the Admiralty were never serious about establishing a new fleet in the Pacific. He claims that "Asquith and McKenna did not understand the strategic issues involved" and dismisses the proposal as an Admiralty subterfuge with a "concealed motive that fitted in with ... [their] general aim of containing German expansion." This study takes the opposite view. The Pacific Fleet scheme, it is argued, was a sincere attempt by the Admiralty to reassert British sea power in an area of great financial and political interest to Britain at a time when the renewal of the Anglo-Japanese Alliance was seriously in doubt. It shows how in 1909 the Admiralty was under considerable pressure from the Foreign, Colonial and War Offices to reinforce the Pacific when a series of fortuitous events provided a breathing space for the Royal Navy in the naval race with Germany and created an opportunity for establishing a new fleet in the Pacific. To fully exploit this opportunity, however, involved an entirely new approach to dominion naval forces. An integral part of the Pacific Fleet scheme was the creation of joint imperial-colonial navies with personnel circulating routinely through the Royal Navy and colonial services. This concept of joint imperial-colonial navies, it is suggested, was inspired by the efforts of Australian prime minister Alfred Deakin to avoid the shortcomings of the colonial navies of the 1880s.

Preston, op. cit., pp. 398-399.
Among the principal materials consulted for this study were documents held in the Public Record Office in London, especially those of the Admiralty, Cabinet and Colonial Office. The Admiralty Papers form an immense collection which, though sifted through by a number of students, still contain much important material which has been only superficially examined. There are, for example, only scattered references in the published works to the considerable body of material relating to the Admiralty's preparations for the 1902 and 1907 colonial conferences. The 1909 conference and the Admiralty's Pacific Fleet plan have attracted even less attention.

Within the Admiralty materials consulted for this study the papers produced by the Naval Intelligence Department are of particular importance. Scattered throughout the various Admiralty files this material has been little used in relation to colonial defence. The Naval Intelligence Department had been established in 1886 as the 'thinking' department of the Admiralty. By 1902, notes Arthur Marder, "no question of any greater importance than the, say, change of an article of uniform, ... [was] decided upon without the N.I.D. having its say." Along with the Admiralty's

political head (the First Lord of the Admiralty) and
the its professional head (the First Sea Lord), the
Director of Naval Intelligence played a key role in
formulating Admiralty policy. While the Board of
Admiralty did not always follow the N.I.D.'s advice,
for example the 1907 proposal that 'P' class cruisers
be supplied to Australia to train Australian personnel
in accordance with a request by Alfred Deakin was
rejected by the First Sea Lord, their recommendations
and assessments are invaluable in understanding the
factors which shaped Admiralty policy.

In Australia documents held by the Commonwealth
Archives in both Canberra and Melbourne have been
examined. Inevitably there is a certain duplication of
material held in Britain and Australia and also in some
collections of private papers in these countries. In
this study reference is generally made to documents
held by Australian archives in preference to the same
document in Britain. A number of collections of private
papers have been consulted. In Britain the papers of
Admiral Sir Cyprian Bridge and Admiral Sir Reginald
Henderson, both held by the National Maritime Museum at
Greenwich, have been examined. In Australia private
papers consulted include those of Alfred Deakin, Edmund
Barton, George Pearce and Lord Tennyson. The last are
of particular interest because of his close friendship
with Lord Selborne, First Lord of the Admiralty from 1900 to 1905.

Use has also been made of a number of well-known published collections of private papers including those of Admiral Sir John Fisher and the Viscount Esher. The thoughts and opinions of people directly or indirectly connected with the determination of colonial naval policy has also been gleaned from the many articles published in contemporary journals such as *The Nineteenth Century, The United Service Magazine* and the *National Review*. Newspapers, in particular *The Times* and leading Australian newspapers such as the *Sydney Morning Herald* and the *Age* of Melbourne, have also been consulted. A detailed examination of newspaper opinions, however, has not been made. Extensive reference to Australian newspaper opinion is to be found in the works of Atkinson and Meaney.
CHAPTER ONE

THE CONTAINMENT OF COLONIAL NAVAL ACTIVISM, 1881-1887

During the 1850s and 1860s Australia's naval defence was developed along two distinct lines. Hitherto Australia's security had rested almost entirely upon the world-wide power of the Royal Navy. From 1862, however, the self-governing colonies were encouraged to "undertake the main responsibility of providing for their own internal order and ... to assist in their own external defence."¹ The Royal Navy was still charged with protecting the empire against invasion, but the colonies were now expected to assist in this task by securing their ports to deter enemy raids and providing safe harbours for British shipping.

Under the Colonial Naval Defence Act of 1865 the governments of the self-governing colonies were empowered to provide and man vessels of war and also to raise volunteer forces to form part of the Royal Navy Reserve which had been established in 1859.² While the

¹ Resolution of the House of Commons, G.B.P.D., Series 3 Vol. CLXV, p. 1060, 4 March 1862.
Admiralty continued to have some misgivings about the possession of warships by colonial governments, especially as the status of such vessels in international law was unclear, they gave general approval to the establishment of small colonial navies for harbour and coastal defence. The Admiralty had appreciated the use during the Maori wars in New Zealand of the Victorian sloop *Victoria*, and the existence of colonial harbour defence vessels had the advantage of freeing Royal Navy ships for wider service. 3

This benign attitude to the establishment of local naval forces was to change. A series of incidents in the early 1880s highlighted the difficulties that autonomous colonial navies could pose to Britain. The Admiralty came to see local navies as a means by which Britain's control over imperial policy-making could be undermined as well as a source of friction between themselves and the colonial governments. These concerns were to influence the Admiralty's attitude to Australian naval defence for the next two and a half decades. Indeed the Admiralty's concern at the development of colonial navies was such that they were prepared to surrender some of the freedom they had

traditionally possessed over the movement and disposition of their ships in order to contain the expansion of the colonial navies.

While the 1865 Naval Defence Act enabled the Australian colonies to supplement their coastal fortifications with 'floating defences', it was the Royal Navy which remained the first line of defence. In 1881 a meeting of colonial premiers in Sydney declared that the Royal Navy squadron in Australian waters was inadequate. The upsurge of tensions in Europe and the spread of imperial rivalries to the Pacific, bringing with it the possibility of war close to Australian shores, had led the colonies to re-examine the basis of their defence. They had grounds for complaint. The squadron was a motley collection of mostly antiquated wooden vessels which the Admiralty admitted was incapable of undertaking any major naval operation against an enemy. Indeed only six months before the colonial premiers met in Sydney the commander of the squadron, Commodore J.C. Wilson, had complained to the Admiralty that the ships under his command were incapable of providing any real protection for Australian maritime

4 'Admiralty to Colonial Office, 2 November 1871, P.R.O., Adm 1/6197.'
trade, being too slow and lacking endurance. "Considering the large Imperial interests involved", the Inter-Colonial conference declared, "... the strength of the Australian squadron should continue to be the exclusive charge of the Imperial Government, and that the strength of the Australian squadron should be increased."

In London the Colonial Office denounced the resolution while the Admiralty ignored the call for more ships to be sent to Australia. The 1870s had been characterized by disinterest among the British public in the Royal Navy. Furthermore many informed observers believed that technological changes had lessened the importance of sea power to Britain and the empire's defence. The naval estimates had remained largely static throughout the decade and the Admiralty was under pressure to effect economies. Gladstone, who had returned to power in April 1880, advocated a policy of naval concentration in European waters largely because

5 Wilson to Admiralty, 22 June 1880, P.R.O., Adm 1/6538.


7 Lord Kimberley, Colonial Secretary, to Governor of Victoria, 11 May 1881, P.R.O., Adm 1/6538.
of the economies this would allow.° In presenting the Naval Estimates in 1881, G.O. Trevelyan, Financial Secretary to the Admiralty, outlined with a certain irritation the "incessant" calls upon the navy by the outlying empire.° In such circumstances the Admiralty's disregard of Australian demands for a strengthening of the Australian squadron was to be expected.

The Admiralty's indifference to Australian concerns over their security was soon to change. On 4 April 1883 H.M. Chester, acting on behalf of the government of Queensland, raised the British flag at Port Moresby and claimed the eastern half of the island of New Guinea for the British empire.° The Queensland annexation of eastern New Guinea had been made to forestall rumoured German moves to seize the territory. Viewing with alarm the encroachment of European powers in the south west Pacific the Australian colonies believed the occupation

° Gordon, The Dominion Partnership in Imperial Defence, p. 56.


of eastern New Guinea was essential to preserve their security.

In annexing eastern New Guinea, however, the Queensland government had acted without imperial approval. The Queensland premier, Thomas McIlwraith, hoped to present Britain with a fait accompli. In London the Queensland action caused consternation for it undermined Britain's control of imperial foreign policy and complicated relations with Germany at a time when German goodwill was seen as vital to Britain's international diplomacy. Despite the support of New South Wales, Victoria and South Australia and offers to meet the cost of administration, the Queensland proposal to incorporate eastern New Guinea into the empire was rejected.

\[11\] Thompson, *op. cit.*, p. 52.

\[12\] Britain's relations with Germany were complicated by the problem of Egypt. Ostensibly a part of the Ottoman Empire, Egypt had been declared bankrupt in 1876 and financial control was taken over by Britain and France. Britain occupied Egypt in 1882 after a nationalist uprising had led to a collapse of order. With France and Russia putting pressure on Britain to leave Egypt, the Gladstone government needed the support of the German led Triple Alliance (Germany, Austria-Hungary and Italy) on the International debt Commission in order to secure a majority vote in favour of necessary reforms of Egyptian finances. A.J.P. Taylor, *The Struggle for Mastery in Europe 1848-1918*, (Oxford, 1977), pp. 286-290.

\[13\] Lord Derby, Colonial Secretary, to Palmer, Governor of Queensland, 11 July 1883, Cd. 3617, *op. cit.*, p. 208.
While Britain's stand over New Guinea was deplored by the Australian colonies, in London the Queensland action was seen as highlighting the dangers naive colonial governments motivated by purely local concerns could pose to Britain's relations with the great powers. The Queensland action had demonstrated that in certain circumstances colonial governments were prepared to act in defiance of their constitutional limitations. In the case of New Guinea no long term harm had been done. Queensland was forced to surrender control of New Guinea and an agreement was eventually worked out with Germany whereby the territory was divided between the two empires. But the prospect of similar incidents in the future, perhaps with more serious consequences, frightened the British authorities. "It is well understood", the Queensland government was bluntly informed,

that the officers of the colonial government have no power or authority to act beyond the limits of their colony and if this constitutional principle is not carefully observed serious difficulties and complications must arise.14

14 Ibid. My italics. The claim that Queensland had no constitutional power to annex territory to the empire without the prior sanction of the imperial government in London was challenged by Premier McIlwraith who argued that it was "contrary to the whole history of colonial acquisition". His claims, however, were not supported by legal opinions sought by the Colonial Office. On McIlwraith's argument see A. Todd, Parliamentary Government in the British Colonies, (London, 1894), p. 251. For a selection of British legal opinion on this matter see D.P. O'Connell and A. Riordan ed., Opinions on Imperial Constitutional Law, (Sydney, 1971), chpts. X and XI.
From a naval viewpoint the Queensland action fuelled Admiralty misgivings over the development of autonomous colonial navies. To the Admiralty the possession of fighting ships by such manifestly irresponsible governments as that of Queensland could only increase the likelihood of Britain being severely embarrassed, or, even worse, being drawn into an unwanted war. This was certainly the view of Commodore J.E. Erskine. As commander of the Royal Navy's Australian squadron Erskine was the Admiralty's most important source of information on matters Australian. Referring to the Queensland annexation of eastern New Guinea in a letter to the Admiralty dated 13 August 1883 Erskine warned:

I cannot but doubt the expediency or the prudence of creating in Australia a number of independent naval forces, nominally established for defensive purposes, but which might be used in a direction which would not only tend to embarrass the Colonial Authorities, but which might lead to Imperial complications.\(^\text{15}\)

Nor were Erskine's fears without justification. Both Queensland and Victoria vaguely saw their fledgling coastal defence forces as the foundation of more wide-ranging navies.\(^\text{16}\) Moreover Alfred Deakin, a leading

\(^{15}\) Erskine to Admiralty, 13 August 1883, P.R.O., Adm 116/68.

Victorian politician and future Australian prime minister tells us that in 1888 the inner cabinet of the Victorian government, hearing of French plans to seize the New Hebrides, decided to forestall them by "despatching a detachment of the Victorian permanent military forces in a swift steamer with orders to hoist the British flag and keep it flying." 17

The dangers in permitting the development of autonomous local navies appeared all the greater because of the rapid expansion these navies were undergoing. Their calls for an increased Royal Navy presence disregarded, a Russian war scare early in 1882 had persuaded the Australian colonies to take matters into their own hands and expand their own naval forces. Indicating an increasingly irrational concern in the colonies at their vulnerability the Melbourne Age had claimed that a Russian squadron on a goodwill tour of Australia was planning to launch an attack on the colonies. The admiral commanding the Russian squadron, the Age reported, had signalled St. Petersburg that the Australian colonies were "without any serious means of defence" and that Melbourne was "at our mercy by surprise". 18 In the public outcry which followed the


18 Melbourne Age, 23 March 1882.
Victorian government acquired two new gunboats, the 530 ton Victoria and the 360 ton Albert. Two sister vessels to the Albert, the Gayundah and Paluma, were ordered by Queensland, while South Australia, with Spencer and St. Vincent Gulfs to defend, purchased the 960 ton gunboat Protector which boasted the formidable armament of one 8-inch and five 6-inch guns.\textsuperscript{10}

Apart from the possibility that they might be used by the colonial governments in defiance of their constitutional limitations the burgeoning colonial navies were a cause of concern to the Admiralty in another way. Under the Naval Defence Act of 1865 colonial warships were available for service in the Royal Navy in an emergency. This provision had remained untested until, early in 1884, the Victorian government offered its new gunboats Victoria and Albert and the torpedo boat Childers, which were enroute to Melbourne, to the Admiralty for active service in the Red Sea where naval operations were being undertaken in support of the army fighting in the Sudan.

The Victorian vessels had already been at the centre of one controversy. On the instructions of the Victorian Agent-General in London they had left

Spithead flying the White Ensign rather than the Blue Ensign authorized by the Admiralty. The Admiralty were angered at this attempt by the Victorian vessels to masquerade as ships of the Royal Navy. Legal opinion sought by the Admiralty confirmed that without specific authority from the British parliament a self-governing colony had no power to operate warships on the high seas. The Victorian warships would have to sail to Melbourne as merchant vessels.\textsuperscript{20} The Admiralty instructed the naval commander at Gibraltar, the ships first port of call, to see that the White Ensigns were immediately hauled down.\textsuperscript{21} With Victoria now offering the ships for active service with the Royal Navy the First Sea Lord, Admiral Sir Astley Cooper Key, became concerned at the lack of "a carefully established legal basis" for such co-operation. "The matter", Key stressed, "is one of importance in view of the extension of the naval defences of the Australasian Colonies."\textsuperscript{22}

Admiral Key's concern at the expansion of the colonial naval forces was further increased by an offer

\textsuperscript{20} Law Office to Admiralty, 8 February 1884, cited in O'Connell and Riordan, \textit{op. cit.}, pp. 178-179.

\textsuperscript{21} Admiralty memorandum, "The Naval Forces of the Colony of Victoria and the General Question of the Status of Colonial Ships of War", 1884, P.R.O., Adm 1/6719.

\textsuperscript{22} Admiral Key, First Sea Lord, to Lord Northbrook, First Lord of the Admiralty, 27 February 1884, \textit{Ibid}. 
in October 1884 by the Queensland government of the
gunboat Gayundah for service with the Royal Navy
squadron on the Australia Station. Claims by the
Queensland premier, Sir Samuel Griffith, that this
would "confer upon the ships and their officers a
larger prestige and influence" suggest that the main
concern was to enhance the status of the Queensland
government rather than provide genuine assistance to
the Royal Navy. The Admiralty, however, already
perturbed at the rise of colonial naval activism and
the problems it created, had no intention of
encouraging further naval initiatives by the colonies.
Indeed Key must have been aghast at Queensland governor
Lord Musgrave's claim that the offer of the Gayundah
would lead to a flurry of similar offers from the other
colonies. "In a very short time", Musgrave predicted,
there could be "five or six, if not more" colonial
warships operating with the Royal Navy in Australian
waters.

There were two aspects to Key's concern at the
expansion of the colonial navies. The first, as we have

Griffith to Musgrave, 23 October 1884, P.R.O.,
Adm 1/6784.

Ibid. See also Liik, op. cit., p. 249.

Musgrave to Derby, 25 October 1884, P.R.O., Adm
1/6784.
seen, was the unclear position of colonial warships in international law and the possibility that they might be used by the colonial governments beyond the limits of their constitutional authority. The second was the opportunity provided by the 1865 Colonial Naval Defence Act for colonial warships, with their less experienced and proficient crews, to serve in the Royal Navy. In rejecting the offer of the Gayundah for service in the Australian Squadron Admiral Key referred to the "many difficulties" which must arise from colonial vessels operating alongside regular Royal Navy ships. In a memorandum, "Naval Defence of Our Colonies", Key elaborated these concerns. Small navies, he pointed out, had difficulty in keeping abreast of the latest technological developments, while colonial seamen, many of whom were reservists, had little opportunity to practice important skills such as signalling which were vital for effective co-operation at sea. Moreover the incorporation of colonial vessels in the Royal Navy was made difficult because regulations concerning discipline were not uniform and the relationship of colonial officers to officers of the Royal Navy was unclear. Would, for example, a colonial officer with a merchant navy rank have seniority over officers of the

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Royal Navy and if so could a colonial officer with virtually no fleet experience take command of a British squadron in wartime?²⁷

The solution Key proposed to these difficulties was the virtual annexation of the colonial navies by the Royal Navy. Described by one authority as "an essentially conservative man .... [whose] mind instinctively recoiled from large and general questions to take refuge in detail"²⁸ Key outlined a scheme whereby all colonial naval vessels, down to the smallest torpedo boat, would be taken over by the Admiralty and maintained as part of the Royal Navy. The colonial governments could decide what vessels they required and would be expected to continue to pay for their construction and maintenance. The ships themselves, however, would be manned by Royal Navy personnel and be under the command of the Commander-in-Chief Australia Station.²⁹

Key defended his scheme in terms of cost and efficiency. "It is evident", he explained, "that no

²⁷ Key memorandum, "Naval Defence of Our Colonies", 28 October 1884, P.R.O., Adm 116/68.
²⁹ Key memorandum, 28 October 1884, op. cit.
system of local naval defence which any Colony can provide would be so efficient and reliable at the same cost as that now proposed." 3° The leading authority on the 1887 naval agreement, Meredith Hooper, has pointed out that Key was "proposing an addition to the Australian squadron at no cost to the admiralty." 31 It is clear, however, that Key's primary objective was the disestablishment of the colonial navies rather than the improvement of Australia's naval defences. Under Key's proposals the existing colonial warships would be taken over by the Royal Navy. As many of these vessels were new there was little likelihood of any increase or upgrading of Australian naval defence beyond what already existed. Moreover Key was quite clear about his objective. If his plan was adopted, he claimed, "all the difficulties which have been shown to exist in the maintenance of a purely colonial force would vanish."32 That the possibility of colonial warships being used in a way which endangered Britain's control of imperial foreign policy was foremost in his mind is evidenced from an article he published following his retirement

30. Ibid.
32. Key memorandum, 28 October 1884, op. cit.
from the Royal Navy. In this article Key referred directly to the danger that colonial navies could "involve ... [Britain] in troublesome diplomatic correspondence with foreign Powers."

33 If his scheme were implemented, he reiterated, "a remedy would thus be found for all the difficulties which are inherent in the organization of separate colonial squadrons independently of the Royal Navy." 34

That the Admiralty's initiative to re-examine Australian naval defence after 1884 was due mainly to the growing difficulties posed by colonial naval activism is important in understanding the subsequent negotiations with the Australian colonies and the naval agreement reached with them in 1887. The task of implementing Key's plan was given to the newly appointed Commander-in-Chief Australia Station, Rear Admiral George Tryon. Described by Alfred Deakin as "a man of large mind, large frame and admirable tact" 35 Tryon possessed those qualities of sociability and


34 Ibid.

35 Deakin, op. cit., p. 19.
diplomacy which made him an ideal envoy for the Admiralty. Indeed Tryon appears to have been especially chosen for his diplomatic skills. Prior to his appointment to the Australian command Tryon had served as Secretary to the Admiralty a position where his negotiatory skills would have been readily apparent to his superiors. His appointment to Australia also coincided with the raising of the Australia Station to a rear admiral's command. As the size of the squadron was not increased this can only be interpreted as a move to facilitate Tryon's appointment.

In Australia Tryon was to prove a popular figure. His ability, imposing presence and cheerful personality made him a friend and confidant of many important people. Upon arriving at Sydney in January 1885, however, Tryon soon discovered that Key's plan had little chance of succeeding. While Key had worked out a scheme which would have solved the difficulties of colonial navies from the Admiralty's point of view he had not considered the feelings of the colonies. The colonial governments were opposed to any plan which took away their authority over vessels which they owned and for which they were paying the maintenance. As the governor of Victoria, Sir Henry Loch explained, there was "too much colonial jealousy and too much pride in

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looking upon what they had created (for the present) to willingly efface themselves by handing over control of the local naval defence force to the Admiral of the Station."

Faced with colonial resistance Tryon's response was to modify Key's plan and advocate a three tiered system of naval defence. His ideas were set out in a memorandum to Sir Henry Loch dated 27 March 1885. Under Tryon's scheme the local navies were to be retained as an adjunct to the fixed harbour defences. However, Tryon explained, it was not coastal attack that the colonies need fear, but rather attack on their maritime trade. Such an attack, he stated, "would have a more disastrous effect on the welfare of the country than ever could be produced by the heaviest bombardment." Defensive against this form of attack could not be provided from within the colonies. It required a full-time professional force which could only come from the imperial navy. As Tryon explained:

if we are to have efficient vessels to capture cruisers, they must have thoroughly efficient crews, trained and

\[37\] Loch to Stanley, Colonial Secretary, 7 August 1885, quoted in Hooper, *op. cit.*, p. 57.

\[38\] Tryon to Loch, 27 March 1885, P.R.O., Adm 1/6785.
inured to the sea and well practiced in their vessels . . . . I see no way, in 1885, of securing efficiency save by making such vessels bona fide men-of-war, on the same footing in every respect as all Her Majesty's ships in commission.

Thus the wisest move the colonies could make, Tryon argued, would be to subsidize a force of Royal Navy warships, additional to the existing squadron, for the specific purpose of protecting floating trade in Australian waters. 40

By raising the danger enemy cruisers would pose to Australian maritime trade Tryon succeeded in shifting the concern of the colonial leaders away from purely coastal defence and from the naval forces they had themselves established. Tryon's proposals, however, were a major deviation from the scheme he had been sent to Australia to introduce. The troublesome colonial navies would remain under colonial control. In a letter to the Admiralty on 8 July 1885 Tryon set out the reasons behind his change to the plan. "A somewhat more intimate acquaintance with the existing facts", he explained, "made me come to the conclusion that it was impractical to propose to make radical changes in the forces that already exist." 41 The colonies, he


41 Tryon to Admiralty, 8 July 1885, P.R.O., Adm 1/6785.
continued, "are very confident of themselves" and "will not accept from us that which they can well do, in their opinion, themselves." Key's plan for an Admiralty take-over of the existing colonial navies would not be accepted and there was no point in pursuing it further.

While Tryon accepted that the disestablishment of the colonial navies was impractical because of the damage it would do to Anglo-colonial relations, his underlying motivation remained the same as Admiral Key's - the containment of colonial naval activism. First hand experience of the colonies had only served to confirm in Tryon's mind the need to discourage the continued expansion of the colonial navies and in particular their acquisition of ocean-going warships. In ships such as the South Australian Protector, colonial governments already had a degree of sea-going capability and Tryon believed that unless the Admiralty acted quickly it was "certain" that further ocean-going vessels would be acquired. "I do not think that anyone who is acquainted with the Colonies", he stated, "will not recognize that it is desirable to at all events defer the day when each Colony will have its own

42 Ibid.
43 Ibid.
sea-going vessels. If we can but delay that, it may never happen, otherwise the day is not far off."\(^{44}\)

While Tryon wanted to discourage the acquisition of ocean-going warships by the colonies he supported the continuation of the colonial navies in the coastal and harbour defence role. This has led to Tryon sometimes being described as an advocate of Australian naval development. Captain William Creswell, the Director of the Commonwealth's naval forces, claimed in 1906 that the "first establishment of the Australian Naval Forces was marked by the constant encouragement of such great officers as Sir George Tryon."\(^{46}\) This view has been accepted by some historians.\(^{48}\) Support for this claim has primarily been based on the tentative suggestion in Tryon's memorandum to Sir Henry Loch that "the officers and others of such ships [of the auxiliary squadron] as are not in active commission could be well employed to instruct the Reserve Forces and Volunteers [of the

\(^{44}\) Ibid.


colonial navies\)”\(^47\) and a subsequent letter by Tryon to Sir Samuel Griffith in which he stated that:

It is not a mere subsidized force that will do what is wanted. It is not only money that is required to produce effective forces but it is the personal service of our countrymen all over the world. It is blood rather than gold that is the basis of every true force, and to awaken the true spirit, the Government of each Colony should manage, as far as possible, their local forces in time of peace.\(^48\)

This statement, however, must be seen in the context of Tryon's acceptance of the impracticality of Key's plan to totally abolish the colonial navies. Tryon's correspondence with the Admiralty shows quite clearly that he in no way favoured a wider role for the colonial navies. Rather, having concluded that the colonies would never surrender control of their existing naval forces to the Admiralty, Tryon had provided for their continued existence while simultaneously diverting colonial interest (and money) toward a sea-going force firmly under the Admiralty's command.

Despite the subtlety of Tryon's plan to limit colonial naval development by diverting colonial

\(^{47}\)Tryon to Loch, 27 March 1885, P.R.O., Adm 1/6785.

\(^{48}\)Tryon to Griffith, October 1886 quoted in Fitzgerald, *op. cit.*, p. 236.
interests and resources into an Admiralty-controlled squadron he was perhaps fortunate that a change of government in Britain in June 1885 had led to the replacement of Admiral Key as First Sea Lord. Even in retirement Key remained convinced that all colonial vessels should be brought under Admiralty control. The new First Lord of the Admiralty, Lord George Hamilton, and Key's successor as First Sea Lord, Admiral Sir Arthur Hood, however, were receptive to Tryon's arguments. Salisbury's minority government, dependent upon the opportunist votes of Parnell's Irish Home Rulers and on the verge of war with Russia, was in no position to risk alienating the colonies by foisting upon them an unpopular scheme of naval defence. On 9 September 1885 Key's proposals were officially replaced by a new scheme which substantially followed Tryon's ideas.

In their new plan the Admiralty proposed a force of five cruisers and two torpedo boats — Tryon had suggested six cruisers and eight torpedo boats — to

40 Until 1884 it was customary for the entire Board of Admiralty to resign when a general election took place.

50 Key, op. cit.

51 Admiralty memorandum, "Local Defence and the Protection of Floating Trade in the Waters of the Australian Colonies", 9 September 1885, P.R.O., Adm 116/69.
serve as an additional strength in Australian waters specifically for the protection of floating trade. The cost of maintaining these ships was to be borne by the colonies as was the initial cost of constructing them. A period of ten years was suggested as the length of any agreement at the end of which the vessels would become the property of the colonial governments. That the colonies would eventually own the ships should not, however, be seen as indicating Admiralty support for the establishment of a joint colonial navy in the longer term as has sometimes been suggested. Rather it is clear from comments by Lord Hamilton at the 1887 colonial conference that the Admiralty anticipated an extension of the agreement at the end of the ten year period. By the end of the ten years the ships would need to be replaced, leaving the way open for a renewal of the agreement with new vessels. Moreover the Admiralty's opposition to colonial navies was clearly spelt out in their instructions to Tryon. "The object of Her Majesty's government", they stressed, "was to

52. Ibid.

encourage an extension of the Imperial navy rather than separate colonial navies." 54

The most important feature of the plan was the acceptance by the Admiralty of the limitation of the ships to the waters of the Australia Station. Tryon, appreciating that no scheme would be acceptable to the colonies unless it gave them some say over the deployment of the ships for which they were paying, had incorporated in his March 1885 proposals the provision that:

At no time will the vessels be removed from the waters of Australia without the sanction of the governments of the colonies. 55

Tryon was aware of the strategic objections that could be raised against limiting the vessels in this way but it was in his view justified by the pressing need to find a politically acceptable solution to the problems of colonial naval activism. "The days of restricting the action of these Colonies to the three mile limit of their waters", he warned the Admiralty, "is fast

54. Admiralty memorandum, "Local Defence and the Protection of Floating Trade in the Waters of the Australian Colonies", 9 September 1885, P.R.O., Adm 116/69.

55. Tryon to Loch, 27 March 1885, P.R.O., Adm 1/6785.
passing away." Moreover the ships, Tryon argued, would be a valuable addition to the imperial force in Australian waters which were woefully inadequate for the task of protecting Australian maritime trade, while in the event of war "there is no reason why they [the colonies] would not offer them for general service as they did the [Sudan] contingent." 57

The Admiralty's acceptance of limitations on their freedom to move their ships was, however, an important concession. As Professor Gordon has pointed out it was an idea totally "subversive to the mobility essential to the effective use of sea power" 58 and, even more than the eventual financial arrangement, was to be bitterly regretted by the Admiralty in the future. Nevertheless it should not be seen as reflecting "an uncertain grasp of strategy" 59 by the Admiralty but rather as an indication of the importance they attached to overcoming the problems posed by continued colonial naval expansion. In the final analysis the Admiralty accepted Tryon's argument that it was preferable to

56. Tryon to Admiralty, 8 July 1885, P.R.O., Adm 1/6785.

57. Ibid.


have a handful of subsidized vessels confined to Australian waters than have ocean-going warships acquired by the colonies in which, Sir Henry Loch had warned in August 1885, "there are many men .... who would not hesitate under certain circumstances, to despatch them to seize Samoa, the New Hebrides or any other place or island on which they had set their desire."**

The Admiralty, having approved the general thrust of Tryon's proposals, instructed him to continue negotiations with the colonies.°° Tryon's initial memorandum, however, had received a mixed reception from the colonial governments. At one extreme Sir Alexander Stuart, the premier of New South Wales, the home base of the existing imperial squadron and the colony with the most to gain from any increase in its strength, supported a direct and unconditional subsidy to the Royal Navy to provide additional protection. "Separate Colonial Navies or even a combined Colonial Navy", Stuart wrote, ".... or fragmentary Imperial Navies designed for defence of individual Colonies ....

** Loch to Stanley, 7 August 1885, P.R.O., CO 808/65.

°° Admiralty to Tryon, 27 November 1885, P.R.O., Adm 1/6874.
never can be very efficient." On the other hand there remained in Victoria and Tasmania a residue of feeling that the cost of improving Australia's sea-going defences should be borne entirely by Britain.

Despite diversity of colonial feeling as to the appropriate means, all believed the Australian squadron should be strengthened. Accordingly on 24 December 1885 Tryon drafted a second memorandum to the premiers outlining in point form the latest proposals by the Admiralty. His efforts at arranging a formal meeting of colonial leaders, however, encountered many difficulties. In particular his activities aroused the anger of the colonial governors. The governors were the traditional link between the colonies and Whitehall, correspondence from the premiers passing through the governors to the Colonial Secretary in London who, if necessary, could raise their concerns before the British Cabinet. But having a senior officer located in Australia gave the Admiralty both an independent source of information on the situation in the colonies and an opportunity to circumvent the standard channels of

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"2 Stuart memorandum, "Naval Defence of the Colonies", 3 June 1885. Correspondence on Tryon's 27 March 1885 memorandum is contained in P.R.O., Adm 116/68. See also Liik, op. cit., pp. 270-274.

"3 Ibid.
communication with the colonial governments. The governors resented this undermining of their status and authority. The negotiations Tryon was undertaking, Sir Henry Loch complained to London, were "outside the range of ordinary departmental questions, and cannot be satisfactorily settled as between the Admiralty only and the several Governments."\textsuperscript{84} Tryon also found the instability of the colonial governments and their jealousy and suspicion of each other a handicap in reaching an agreement.\textsuperscript{85}

Unable to convene a formal conference of colonial leaders, Tryon did arrange an informal meeting of the New South Wales, Victorian and Queensland premiers aboard his flagship, H.M.S. Nelson, in Sydney on 26-27 April 1886. It became apparent at this meeting that the colonies' main objection to the Admiralty's proposals concerned cost. Letters from the governments of Tasmania and Western Australia indicated they were prepared to pay only the maintenance and interest cost of the proposed squadron, not the complete construction costs as had been stipulated by the Admiralty. The New South Wales and Queensland premiers supported this

\textsuperscript{84}Loch to Lord Granville, Colonial Secretary, 30 April 1886, P.R.O., Adm 116/69. Hooper, \textit{op. cit.}, p. 62.

\textsuperscript{85}Tryon to Admiralty, 17 March 1886, \textit{ibid.}
view. As a way of overcoming the difficulty the New South Wales premier, Sir Patrick Jennings, suggested that the colonies pay five per cent on the capital cost of the vessels which would remain the property of the Admiralty at the end of the agreement. This proposal was eventually accepted by the other colonies with the exception of Victoria. The Victorian premier, Duncan Gillies, insisted that the imperial government should bear all the capital costs. Gillies argued that British as well as colonial interests would benefit from the increased naval forces and that it was an imperial duty to provide for the defence of what was predominantly imperial trade.

Though the failure of the Nelson meeting to reach a universally acceptable agreement was disappointing Tryon had gone a long way toward achieving the Admiralty's underlying aims. While the colonies were not prepared to pay the complete capital costs of the proposed ships, Victoria not being prepared to contribute anything to the capital costs, they had all accepted the principal that they should assist to some extent in strengthening the imperial forces on the

**Tryon to Admiralty, "Result of Meeting of Premiers on board H.M.S. Nelson at Sydney, April 26 and 27, 1886", 3 May 1886, Cd. 5091, op. cit., Appendix E, pp. 229-230.**

station and in doing so had lost interest in expanding their own naval forces. This was sufficient for the Admiralty. In August 1886 they decided to accept the New South Wales proposal that the colonies pay the maintenance costs of the vessels and five per cent interest on the cost of construction. Tryon's successor in Australia, Rear Admiral Henry Fairfax, was instructed to be ready to continue negotiations on this basis and was told that reaching an agreement with the colonies was of the "utmost importance". Before Fairfax could begin negotiations, however, it had been decided in London to hold a conference of colonial representatives in conjunction with Queen Victoria's Jubilee. Discussions with the Australasian colonies would continue there.

Most discussion of Australia's naval defences during 1885 and 1886 had taken place between the colonial governments and the Admiralty through their representative in Australia, Admiral Tryon. The Colonial Office had played only a peripheral role, at times to the annoyance of the colonial governors. Having become acquainted with political realities in

**Admiralty to Fairfax, 25 February 1887, Cd. 5091, op. cit., p. 29.**
the colonies, Tryon had discarded the Key proposals and developed instead a plan to interpose a third line of defence between the colonial navies and the imperial squadron. While this left the troublesome colonial navies under colonial control, Tryon's underlying objective remained the same as the Admiralty - the containment of colonial naval activism.

In developing his proposal for an auxiliary squadron subsidized by the colonies Tryon had introduced the principle that the colonies should contribute toward the cost of their oceanic defence. The idea that the colonies should contribute toward their wider defence, rather than just the protection of their ports and harbours, however, was not new. In 1881 a former commander of the Australian squadron, Rear Admiral Anthony Hoskins, had suggested a colonial subsidy as a way of strengthening the Royal Navy in Australian waters.\textsuperscript{7} That the wealthier colonies "might not unreasonably be called upon to assist in some degree in the naval defence of the Empire" had also been a recommendation of the Royal Commission into imperial defence set up under Lord Carnarvon in 1878.\textsuperscript{7}

\textsuperscript{7}Minute of a meeting with Rear Admiral Hoskins at the Colonial Office, 11 August 1881, P.R.O., CO 537/93.

\textsuperscript{7}Cd. 5091, \textit{op. cit.}, p. 315, Gordon, \textit{The Dominion Partnership in Imperial Defense}, p. 64.
Moreover colonial contributions to the defence of the wider empire was an aim of the influential Imperial Federation League. Established in 1884 to promote closer ties between Britain and the colonies, it had been the Imperial Federation League which had first advanced the idea of a colonial conference in London to discuss imperial problems.\textsuperscript{71} With the moving of the discussions on Australian naval defence to London in 1887 the Admiralty's primary objective of containing colonial naval activism became obscured in the wider ambitions of the imperial federationists.

At the opening of the conference the Colonial Secretary, Sir Henry Holland, revealed the Admiralty's willingness to accept the New South Wales offer to pay the maintenance costs of the proposed auxiliary squadron plus five per cent on the cost of construction.\textsuperscript{72} Though this was described as a "great financial concession" the problems which had beset the meeting aboard H.M.S. Nelson continued to hamper the negotiations. The Victorians remained opposed to paying


\textsuperscript{72} Cd. 5091, op. cit., p. 30.
any of the capital costs of the ships. "The Colony of Victoria", Alfred Deakin explained, "... would be loth to regard this proposal in the light of a bargain."\(^7\) Victoria, Deakin argued, had already spent a great deal on the defence of her harbours, from which British trade benefited, and she was offering to contribute toward the maintenance costs of the new ships. To be asked to pay capital charges as well was "a heavy burden to make upon Australian taxpayers."\(^7\)

The First Lord of the Admiralty, Lord George Hamilton, responded to Deakin's arguments by claiming that the Admiralty had already made major concessions to the colonies. In particular the Admiralty had agreed to limitations on their power to move the ships. Technological changes, he claimed, had increased the speed with which naval forces could be concentrated and this had benefited the weaker naval powers. "It is a very great advantage to the Imperial Navy", he explained, "to be able at a moment's notice .... to concentrate in whatever position they are threatened."

The acceptance of limitations on the movement of the ships:

\(^7\). *Ibid*, p. 35.

\(^7\). *Ibid*, p. 37.
deprives the Admiralty of a very great power over the vessels which they would otherwise have to move them to any other part of the world.\(^7\)\(^5\)

Hamilton also defended the Admiralty's request that the colonies make some contribution toward the construction costs of the ships by explaining that they regarded the arrangement as an ongoing one, likely to be renewed with new vessels at the end of the proposed ten year period. "Our idea", he stated,

was that if the colonies would pay a certain proportion of the expenditure, say five per cent, we at the end of ten or five years, when the arrangement had to be reconsidered, would be ready to replace any vessels which were not up to modern requirements with new vessels and thus keep the colonies supplied with the most efficient vessels of modern warfare.\(^7\)\(^6\)

Furthermore, Hamilton explained, there were domestic political reasons for requesting colonial assistance toward the construction of the ships. The naval estimates had increased in recent years and there would be less opposition in parliament to approving the additional funds needed for the construction of the ships if they were seen as being a co-operative venture with the colonies.\(^7\)\(^7\)

\(^7\)\(^5\). *Ibid.* p. 43.


\(^7\)\(^7\). *Ibid.*
Despite Hamilton's claims that substantial concessions had already been made to the colonies and therefore that the request for some assistance toward the construction cost of the ships was not unreasonable, further concessions were made by the Admiralty. While they felt "bound to adhere" to a five per cent depreciation charge they agreed to cover all additional expenses liable to be incurred by the squadron in wartime. The Admiralty also agreed to replace any ships lost through accident. Previously they had wanted to share these costs with the colonies.\textsuperscript{78} More importantly the Admiralty agreed to fixed upper limits being placed on the amount of the colonial contribution, both for the maintenance costs and for the five per cent depreciation allowance. These limits, Hamilton pointed out, were of considerable value to the colonies because "if we do not reach the maximum you get the benefit, and if we exceed it, you get the benefit also."\textsuperscript{79} The limits were £91,000 for the maintenance costs and £35,000 for the depreciation allowance.

Under the final agreement, reached on 25 April, the colonies would pay an annual subsidy of £126,000 for

\textsuperscript{78} Ibid, p. 299.

\textsuperscript{79} Ibid, p. 306.
which the Admiralty would provide a squadron of five cruisers and two torpedo boats as an additional force in Australian waters. The ships of this 'Auxiliary Squadron' as it was to be known were not to leave the waters of the Australia Station without the commanding admiral having first obtained the consent of all seven colonial governments which were party to the agreement.

Two cruisers and one torpedo boat were to be kept in reserve at Sydney with reduced crews. No provision was made in the agreement for the training of colonial seamen aboard the squadron as Tryon had intimated in his initial negotiations with the colonial governments. The subject of training colonial seamen was not raised during the conference. The Admiralty, however, did agree to make eight cadetships for training in England available to the colonies each year.

As the 1887 agreement has sometimes been presented as primarily a financial arrangement sought by Britain as a way of relieving the burden of naval defence on her taxpayers it is worthwhile considering the financial aspects in detail. The cost estimates for the

**The seven colonies were New South Wales, Victoria, Queensland, South Australia, Tasmania, Western Australia and New Zealand. The Australia Station extended from latitude 10 degrees South to the Antarctic circle and from longitude 75 degrees East to 170 degrees West. It thus enclosed the New Hebrides, Fiji and Samoa as well as a large part of the Indian Ocean. See map.**
agreement were based on the provision of Archer class cruisers and Rattlesnake class torpedo boats. It had been vessels of these types which had been suggested in the Admiralty's memorandum of 9 September 1885. The Archer class cruisers were 1,770 ton vessels with an armament of six 6-inch guns and a crew of 176. The Rattlesnake class torpedo boats displaced 550 tons, carried four 14-inch torpedo tubes and had a crew of 66. The cost of an Archer class cruiser was approximately £106,486 and a Rattlesnake class torpedo boat £46,729. \(^{81}\) Thus the total cost of the proposed force of five cruisers and two torpedo boats would be £625,888. The five per cent annual depreciation charge would amount to £31,294, just below the £35,000 limit accepted by the Admiralty. However the ships that were eventually built for Australian service were not the vessels upon which the agreement had been costed. Rather they were of later classes, significantly larger than the Archers and Rattlesnakes and commensurately more expensive. The five cruisers sent to Australia were of the Pearl class, 2,572 ton ships carrying eight 4.7-inch guns and with a crew of 217. The torpedo boats were of the Sharpshooter class, 735 ton vessels with

\(^{81}\) Source for the ship specifications is Conway's All the World's Fighting Ships 1860-1905, (Greenwich, 1979), Archer class cruisers p. 81, Rattlesnake class torpedo boats p. 88. Costs from Macandie, op. cit., p. 40.
five 14-inch torpedo tubes and a crew of 91. The total cost of the squadron was £853,977 which would have raised the depreciation charges to £42,698, though of course the colonies only paid the agreed maximum of £35,000.\textsuperscript{82}

The Admiralty probably chose to order \textit{Pearl} and \textit{Sharpshooter} class ships for service in Australia because these classes happened to be under construction for the Royal Navy at the time. It was recognized by both parties that the ships of the squadron would have to be specially built. The agreement was not to take effect until the first ships arrived in Australian waters and a request by Alfred Deakin that the Admiralty install a stopgap fleet until the new one was built was rejected on the grounds that there were no ships available.\textsuperscript{83} The last \textit{Archer} class cruiser had been completed in 1887. Having proved poor sea boats the \textit{Archer} class had been replaced in the dockyards by a new design, the \textit{Pearl} class, which had better sea-keeping and improved protection. Whether these ships were substantially more expensive to maintain than the \textit{Archers} and \textit{Rattlesnakes} is not known but in view of their larger size and greater complements it seems

\textsuperscript{82} \textit{Ibid}, \textit{Pearl} class cruisers p. 82, \textit{Sharpshooter} class torpedo boats p. 89. Costs, Macandie p. 44.

\textsuperscript{83} Cd. 5091, \textit{op. cit.}, p. 301.
likely. At the conference the Admiralty announced their intention to substitute Pearl and Sharpshooter class vessels for the ships originally recommended but, though they knew this would result in Britain bearing a greater proportion of the costs than had been planned, they made no attempt to raise the limits of the colonial subsidy. This indicates that the financial aspects of the arrangement were less important to the Admiralty that sealing an agreement with the colonies quickly. The Admiralty also promised to strengthen the Royal Navy forces in Australian waters irrespective of the new agreement. This further suggests that relieving the burden on British taxpayers was not their prime concern. The Inter-Colonial conference in 1881 had requested an increase in the strength of the imperial squadron, the cost to be borne by Britain. Under the 1887 agreement the colonies received just such an increase as well as an additional force for which they paid less than half the cost.

It might be claimed that Britain was prepared to accept a generous arrangement with the Australian colonies in the hope that this would encourage the other colonies to contribute toward the upkeep of the Royal Navy. The 1879 Carnarvon Royal Commission had recommended that the wealthier colonies should contribute toward the cost of imperial defence and the 1887 agreement has sometimes been seen as an outcome of
the Carnarvon Commission's recommendations. Later proponents of imperial federation did present the 1887 agreement as evidence of the willingness of the colonies to bear some of the burden of the general defence of the empire. Leading imperial federationist Sir George Clarke, for example, claimed that the 1887 agreement was "the first practical recognition .... of an obligation on the part of the Colonies depending on commerce to contribute to the maintenance of H.M.'s Navy". Meredith Hooper, while noting that the agreement was a discouragement to the development of colonial navies, also stresses its role as a propaganda statement for imperial federation. This view appears to have stemmed from remarks made by Sir Henry Holland at the opening of the conference. While any discussion of political federation had been discounted in the initial invitations, in a meeting at the Colonial Office immediately prior to the conference Holland had

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86. Hooper, op. cit., pp. 73-74.

87. Circular despatch by Edward Stanthorpe, Colonial Secretary, 25 November 1886, Cd. 5091, op. cit., p. 510.
indicated that he hoped the prospective naval agreement would be:

a starting point of a new policy - the first step toward a federation for defence, which will not only add strength to the Empire but tend to bind its members in closer union.**

Likewise in his opening address at the conference Holland claimed that he was "most anxious to try to come to some arrangement which is just and equitable in itself and which .... may be an example and an inducement to other Colonies to follow."**

Holland, however, does not appear to have fully understood the nature of the negotiations which had been conducted in Australia by Admiral Tryon. An enthusiastic supporter of the imperial federation movement, Holland had only recently been appointed Colonial Secretary. His hope that the agreement might be "the first step toward a federation for defence" was quickly dispelled. The colonial governments were not offering to provide a contribution to general imperial defence or in any way assume responsibility for the defence of wider imperial interests. Rather they were

**Holland memorandum, "Proposed Increase in the Australasian Squadron. Remarks on Discussion held at the Colonial Office, April 5, 1887". Cd. 5091, op. cit., pp. 256-258.

**Ibid, p. 31.
concerned with providing additional protection for their own interests in the cheapest and most efficient way possible - by hiring it from Britain. Queensland premier Sir Samuel Griffith sought to make this perfectly clear by insisting that the payments the colonies were to make be set down in the agreement as representing actual expenditure on the ships, not a fixed annual sum. Any suggestion that the colonies were making a general contribution to imperial defence, Griffith stressed, would provoke a bitter reaction in Australia. He explained:

The difference in principle between the two modes of arriving at the amount to be contributed would be that in the one case the colonies would be paying for the ships which were specifically appropriated to them. The amount they would be paying might be the same, but the way outside people would regard it would be very different. There are many people who would entertain a very strong objection to making a contribution to the Imperial Government of anything in the form of a subsidy, although the same people, in the event of it being proposed to pay for services rendered by the Admiralty to the Australian governments would have no objection to pay anything reasonable for them.

Despite Holland's imperial federationist rhetoric at the beginning of the conference the principle of colonial contributions to general imperial defence was not debated and no similar arrangements with other colonies were entered into, or even discussed.

While the colonial delegates were clear that they were not subsidizing general imperial defence the Admiralty's acceptance of the limitation of the squadron to Australian waters indicates that they also looked upon the agreement as a specific purpose arrangement not intended as a model for agreements with other colonies. Though the Carnarvon Royal Commission had recommended that the colonies be asked to contribute toward the cost of the Royal Navy the notion that contributions should give the relevant colonies a voice in the disposition and movement of particular ships had been specifically rejected.\(^1\) Indeed the Admiralty had themselves strongly opposed such an idea in their submission to the commission.\(^2\) Yet the Admiralty had never opposed the restriction of the ships to Australian waters in the negotiations with the Australian colonies. Richard Preston's claim that the Admiralty "twisted and turned in every direction" to avoid the localization of the ships does not stand up to close scrutiny.\(^3\) The Admiralty were quick to resist any attempt by the colonies to retain one or more ships in a particular port but the limitation of the squadron

\(^1\) Gordon, *The Dominion Partnership in Imperial Defence*, pp. 64-65.

\(^2\) Admiralty to H. Jekyll, 30 December 1881, P.R.O., Adm 1/6538.

\(^3\) Preston, *op. cit.*, p. 103.
to Australian waters had been a basic element of Tryon's 27 March 1885 proposals and had been accepted by the Admiralty in their scheme of 9 September 1885. No proposals had been put before the colonial leaders which did not specify the localization of the ships to Australian waters. At the colonial conference the Admiralty's acceptance of the localization of the ships was clearly stated by Lord Hamilton. "Our idea", he told the colonial delegates,

was that this squadron should be always kept in Australian waters and go round from one capital to another; therefore ... [the ships] would be constantly in view of the different colonies, and would never, so to speak, leave Australasian waters."^{4}

The Queensland attempt to annex eastern New Guinea without imperial approval and a series of incidents involving colonial warships in the early 1880s convinced the Admiralty that the problems created by colonial navies far outweighed their benefits. It was a feeling that was to influence Admiralty thinking on Australian defence down to 1914. With the colonial navies already in existence, however, the Admiralty was faced with the problem of how to contain colonial naval

^{4} Cd. 5091, op. cit., p. 157.
activism without causing a rift with the colonial governments. The solution advanced by Admiral Tryon and accepted by the Admiralty was to create an additional force in Australian waters partially supported by the colonies. The 1887 agreement was thus a specific solution to a particular local problem. Though the imperial authorities were aware of the value of the agreement as a precedent for securing wider colonial participation in imperial defence, it was the agreement's discouragement of colonial naval development and in particular the acquisition by the colonies of ocean-going warships, which was its principal attraction to the Admiralty.

In order to secure an end to colonial naval ambitions, however, the Admiralty had conceded the right of those colonies which contributed to the maintenance of Royal Navy vessels to have some control over their movement and disposition. This had been done though the Carnarvon Royal Commission had recommended against it and in the face of accepted strategic principles. The Admiralty were aware of the objections to allowing limitations upon the movement of their ships but felt that such a major concession was justified in view of the wider political considerations at stake. Moreover in the context of Britain's global naval situation in the early 1880s the limitation of a small number of cruisers to the waters of the Australia
Station was not a serious handicap to the Admiralty. Unfortunately soon after the 1887 agreement came into effect Britain's naval position began to deteriorate and with it the Admiralty's capacity to make concessions to the colonies in order to discourage their development of local navies.
THE AUSTRALIA STATION
UNDER THE 1887 NAVAL AGREEMENT

COMPiled AND DRAWn BY
L.J. HENDERSON
CHAPTER TWO

THE VINDICATION OF THE ADMIRALTY'S POLICY, 1887-1901

The Australian Auxiliary Squadron arrived at Sydney on 5 September 1891. It was a unique creation. Never before had the Admiralty agreed to their ships being limited to one part of the world. Symbolizing the localization of the squadron the ships had been given distinctively local names: Mildura, Ringarooma, Wallaroo, Katoomba and Tauranga for the cruisers and Boomerang and Karakatta for the torpedo boats. In the previous chapter it has been argued that the principal motivation behind the 1887 naval agreement, at least so far as the Admiralty was concerned, had been the desire to limit the growth of the colonial navies. It had been to prevent the acquisition of ocean-going warships by the colonies that the Admiralty had accepted the restriction of their ships to the waters of the Australia Station. The Admiralty must have been delighted by the success of their efforts. Not only were the colonies deflected from their course of acquiring ever larger and more powerful warships but the existing colonial navies went into decline. With the arrival of the Auxiliary Squadron in Australia and the diversion of £126,000 a year from their exchequers to the Royal Navy the incentive for naval development
in the colonies waned. In 1893 the South Australian gunboat *Protector* was taken out of active service and in 1895 the Victorian gunboats *Victoria* and *Albert* were put up for sale. The last warship built for a colonial navy, the Victorian torpedo boat *Countess of Hopetoun* was completed in 1891.

With the decline of the colonial navies the possibility of the Royal Navy having to co-operate with inferior local navies, which had so concerned Admiral Key, diminished. It was a bonus for the Admiralty. Though the naval agreement provided a continuing purpose for the colonial navies in the coastal and harbour defence role, the Admiralty made no effort to encourage or promote colonial efficiency in this area. Their satisfaction at the demise of the local navies was thinly concealed. Henry Feakes, who served in the early Commonwealth naval forces and later rose to the rank of rear admiral in the Royal Australian Navy, records that the British admirals commanding on the Australia Station treated the remnant colonial navies with "a studied neglect and indifference broken only at long intervals by unofficial visits of inspection by request."¹

Even the limitations the naval agreement placed on the movement of the Auxiliary Squadron do not initially appear to have been a serious handicap to the Admiralty. The limitations did fly in the face of accepted strategic principles but a committee of naval officers established in 1889 to investigate the limits of British naval stations considered that naval operations connected with the defence of Australia or Australian trade were most likely to take place within the waters of the station. "All the important considerations involved in England being at war with a Foreign Power possessing a Navy", the committee reported,

centre around the continent of Australia itself and would so far acquire a local character that operations would be conducted in Australian waters.2

While suggesting that if "the defence of the [Australian] colonies was sufficiently secured" the excess of naval forces might be used to support the China squadron, the committee recommended that the general limits of the station "cannot be altered with a view to any strategic advantage."3


3. Ibid.
While the decline of the colonial navies following the arrival in Australia of the Auxiliary Squadron seemed at first to confirm the value of the naval agreement to the Admiralty, its enthusiasm for it was dulled by difficulties arising over the direction of the squadron. Though the vessels were not to leave the waters of the Australia Station without the consent of the colonial governments, within this (very extensive) area they were totally under the control of the admiral commanding on the station. Indeed they were completely integrated with the other Royal Navy forces in Australian waters. Even before the vessels arrived in Australia, however, their movement within the confines of the station had become the subject of political interference.

On 4 June 1891, as preparations for the arrival of the ships in Australia were being completed, the Colonial Office wrote to the Admiralty requesting the early visit of the squadron to all the major colonial ports. The Colonial Office was particularly concerned that the squadron visit Queensland where the naval agreement had yet to be ratified by the parliament. Justifying Sir Samuel Griffith's concern at the colonial conference the agreement had attracted criticism in Queensland as a backdoor method of
bringing about imperial federation. The Colonial Office hoped that a visit by the ships would assist the passage of the naval agreement through the Queensland parliament and generally promote imperial feeling. Sir Robert Meade, Under-Secretary at the Colonial Office, explained:

If the Board of Admiralty are able to carry out this programme [of visits by the squadron to each of the colonies] it will give great satisfaction to the respective Colonies and while strengthening the determination of those which have already contributed, will largely assist in securing the adhesion of Queensland to the joint arrangement.

While assenting to the Colonial Office's request the Admiralty were irritated at this outside interference in the running of the squadron. "Australia", an exasperated First Sea Lord (Admiral Sir Richard Vesey Hamilton) minuted, "will now, I hope, leave us alone to pay some attention to other colonial affairs .... they have been irrepressible in season and out of season."


Colonial Office to Admiralty, 4 June 1891, P.R.O., Adm 1/7077.

Minute by Admiral Sir Richard Vesey Hamilton, First Sea Lord, 19 June 1891, P.R.O., Adm 1/7077.
Admiral Hamilton's hopes were not to be realized. In 1892 the Colonial Office again interceded with the Admiralty, this time in response to complaints from South Australian premier Sir John Downer that his colony rarely saw the ships toward which they were contributing. The Colonial Office wrote to the Admiralty in December:

Lord Ripon [the Secretary of State for Colonies] feels sure that it will be the desire of their Lordships to make such arrangements as will prevent any Colony from having reason to complain that she does not receive her fair share of visits from the ships of the Squadron, towards the strengthening of which she, in common with the others, has contributed.

The Colonial Office wrote again in March 1893, on this occasion stressing the value of the agreement as an example of colonial co-operation:

I need not point out how important it is that nothing should occur which might make the Colonies reluctant to continue their contribution to the Squadron .... Lord Ripon trusts therefore that the Lords Commissioners of the Admiralty will

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7. Lord Kintore, Governor of South Australia, to Lord Ripon, 22 October 1892, P.R.O., Adm 1/7112.

8. Colonial Office to Admiralty, 19 December 1892, P.R.O., Adm 1/7112.
impress upon the Commander-in-Chief the high value attached by Her Majesty's Government to the renewal of the agreement.°

Once more the Admiralty yielded to the Colonial Office's request. Admiral Nathaniel Bowden-Smith, who was commanding on the Australia Station, was instructed to ensure regular visits were made by the squadron to each of the colonial capitals. Bowden-Smith, however, claimed that Downer was manoeuvring to have one of the ships permanently stationed in South Australia and he warned the Admiralty that a proprietorial attitude had developed in the colonies toward the vessels or "our ships" as they had become known.

Bowden-Smith's claims were corroborated by the colonial governors. The governor of Victoria, Lord Brassey, saw the persistent claims upon the squadron by the colonial governments as the major objection to the agreement. Brassey, who was a former civil lord of the Admiralty and widely acknowledged expert on naval affairs, wrote to the Colonial Office that, "the agreement subjects both the Admiralty and the Admiral

° Colonial Office to Admiralty, 7 March 1893, P.R.O., Adm 1/7112.

† Admiralty to Bowden-Smith, 7 March 1893, P.R.O., Adm 1/7112.

‡ Bowden-Smith to Admiralty, 31 October 1892, P.R.O., Adm 1/7112.
in command on this station to unreasonable demands for the presence of ships of war in every colonial port. Moreover, Brassey warned, the agreement "would create opposition in time of war to the withdrawal of the ships, although to be used more effectively for offensive defence elsewhere."\(^{12}\)

While the Admiralty were prepared to accommodate colonial feeling by arranging regular visits by the ships to the colonial capitals, there was no question of their consenting to vessels being allocated to the defence of individual ports. At the colonial conference the Admiralty had stressed that "each colony cannot have one of the ships, but they are to be confined to Australian waters."\(^{13}\) The squadron was primarily for the protection of Australian trade and its dispersal among the various colonies would completely undermine its effectiveness in this role. The Admiralty was only prepared to bend strategic principles so far. Their total opposition to the piecemeal distribution of vessels to protect local centres was spelt out in the report of the Harrington Royal Commission in 1890. "It is essential", the Admiralty had argued, "... that absolute freedom of action shall be left to the Naval

\(^{12}\)Brassey to Colonial Office, 1 June 1897, P.R.O., CO 537/94.

\(^{13}\)Cd. 5901, op. cit., p.41.
Commander in time of war and that this freedom of action would be impaired by any regulations or understandings involving the retention of certain ships at certain stations in order to aid in their military defence." Admiral Sir Cyprian Bridge, who succeeded Bowden-Smith in Australia, made his position on colonial interference in the direction of the squadron clear upon taking up his command in 1895. Writing to Lord Spencer (First Lord of the Admiralty) he stated:

The only good way of dealing with the local authorities is to firmly refuse to permit them to have any say as to the disposition or management of the squadron. They understand firmness: they do not understand concession which they always take to be weakness.

Ironically, at the same time as colonial demands on the Auxiliary Squadron were causing concern to the Admiralty the 1887 agreement was assuming increased importance in Britain as a precedent for colonial participation in imperial defence. In March 1891


leading imperial federationist, naval authority and member of parliament Sir John Colomb had called for the self-governing colonies to shoulder a greater part of the burden of defending the empire. Speaking in the House of Commons, Colomb had drawn attention to the large disparity between British and colonial expenditure on naval defence. This was despite the increased wealth of the colonies and the expansion of their maritime commerce. "Although the Revenue of the United Kingdom", Colomb explained,

has only increased by one and a half times, the Revenue of the outlying Empire has increased five fold; and while the sea trade of the Mother Country which the Navy has to protect has in the same period increased only five times, the sea trade of the outlying Empire, which the Navy has also to protect, has increased twenty times.¹⁸

Colomb reflected growing concern in Britain at the escalation of the naval estimates. Fears of a coalition between France and Russia, Britain's traditional rivals, had led to massive increase in naval expenditure. Under the Naval Defence Act of 1889 £21,500,000 had been set aside for the virtual reconstruction of the Royal Navy. Eight first-class

battleships, two second-class battleships, nine large cruisers, twenty-nine small cruisers, four gunboats and eighteen torpedo-gunboats were to be built. Moreover the Naval Defence Act had established the so-called 'two-power standard', a yardstick against which the strength of the Royal Navy could be measured. The Royal Navy, Lord Hamilton (the First Lord of the Admiralty) stated, "should be on such a scale that it should at least be equal to the strength of any two other countries."  

With greater attention being paid to Britain's naval defences and with the government committed to a 'two-power standard' for the Royal Navy the naval estimates began to spiral upward. Whereas in 1885 naval expenditure had been only £11.4 million or 12.8% of government expenditure, by 1890 it had jumped to £15.3 million or 16.8% of the budget and by 1897 it was £22.2 million or 20.2% of annual government expenditure. Not that this escalation was solely due to the need to


counter naval development by Britain's European rivals. Increases in the cost of warships also added to the growth of the naval estimates. The late nineteenth century was a period of rapid advancement in naval technology and each successive class of battleships or cruisers was larger and more expensive than its predecessor. H.M.S. Devastation, for example, completed in 1874 and the world's first mastless battleship, cost £361,438. H.M.S. Dreadnought, completed six years later, cost £614,739. The Royal Sovereign, lead ship of a class of seven first-class battleships authorized under the 1889 Naval Defence Act, cost the British taxpayer £913,986.

In their efforts to tap the resources of the colonies as a way of relieving the defence burden on British taxpayers imperial federationists misrepresented the 1887 agreement. To the advocates of an imperial Kriegsverein the agreement represented a willingness on the part of the Australasian colonies to contribute toward the general upkeep of the Royal Navy. The 1887 agreement Sir George Clarke claimed, "was the first practical recognition ... of an obligation on

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the part of the Colonies depending on commerce to contribute to the maintenance of H.M.'s Navy."  

What we have lately done", Lord Brassey wrote in regard to the 1887 agreement prior to his becoming governor of Victoria, "is a happy augury for the future. At no distant date the question of taking further concerted action must come up for consideration."  

Nor was this view of the 1887 agreement confined to imperial federationists such as Clarke and Brassey who were on the periphery of power. It was to be found at the heart of the Conservative government which assumed office in 1895. In opening the 1897 colonial conference the new Secretary of State for Colonies, Joseph Chamberlain, claimed that in 1887 Australia had "offered voluntarily a contribution in aid of the British Navy besides taking her full share of her military defences."  

In believing the 1887 agreement indicated a willingness on the part of the Australasian

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23 G. B. P. P., 1897 session, Vol. LIX, Cd. 8596, "Proceedings of a Conference between the Secretary of State for Colonies and the Premiers of the Self-Governing Colonies at the Colonial Office, London, June and July 1897". This is a precis of the proceedings. A.A.O.(C), CP103/12/B1 contains the unpublished minutes which are cited hereafter as *Minutes Colonial Conference 1897*. 
colonies to assist in the general maintenance of the Royal Navy, however, federation enthusiasts in Britain were mistaken. While Henry Holland had spoken at the beginning of the 1887 conference of his hope that an agreement could be reached which might pave the way for future defence federation the colonial representatives had made it clear they regarded the agreement purely as a means of providing additional defence for Australia. As we have seen in chapter one, they had strenuously disassociated themselves from any suggestion that they were making a general contribution to the Royal Navy. Sir George Clarke, after a period in Australia as governor of Victoria, admitted his earlier understanding of the agreement was in error. "When later I came fully to understand Australian sentiment", he wrote of the 1887 agreement in his autobiography, "I saw it could not endure."[24]

As some imperial federationists were mistaken in believing that the 1887 agreement reflected Australian willingness to assist in the wider defence of the empire, so some also misunderstood the Admiralty's motives behind the agreement. Writing in *The Nineteenth Century* magazine, Lord Brassey suggested, as an alternative to cash subsidies, that the colonies might

prefer to "add to the naval forces which they have already created for harbour defence. They may build ironclads for coast defence, and cruisers to give protection to trade converging upon their ports from across the seas."

Brassey went even further. "The burden of increased expenditure on ships", he argued, "... would be borne more cheerfully if the privilege were conceded of flying the white ensign on board the public vessels of the colonies. The privilege has been too long withheld in deference to red-tape objections and professional prejudices."

Brassey's suggestions did not take into account the complex legal and political problems connected with independent colonial fleets and were based on a mistaken view of the value of the agreement to the Admiralty. The principal advantage of the agreement to the Admiralty was its diversion of the Australian colonies away from their course of acquiring ever larger and more powerful warships. The Admiralty had no wish to see a resurgence of colonial naval development and all the problems it had caused in the 1880s. Nor did they want a proliferation of arrangements similar to the 1887 agreement. No other colonies possessed navies or felt threatened from the sea and so no

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26 Ibid, p. 94.
similar arrangements had been concluded. A proliferation of similar agreements would tie up the Royal Navy, reducing operational flexibility and undermining the Admiralty's power to concentrate naval forces against an enemy. "We must be careful", Lord Hamilton warned those calling for greater contributions from the colonies,

not so to earmark the contributions from the Colonies as to imply that they are too small, without considering that local contributions are generally associated with control. Local control is incompatible with that mobility which our Fleet in wartime should possess.  

The importance of naval mobility had become the subject of popular discussion following the publication in 1890 of Alfred Thayer Mahan's *The Influence of Sea Power Upon History*. Command of the sea, Mahan asserted, was achieved through the concentration of naval forces. "It is not the taking of individual ships or convoys .... that strikes down the money power of a nation", he declared, "it is the possession of that overbearing power on the sea which drives the enemy's flag from it or allows it to appear only as a fugitive."  


concentration to be effected, however, it was imperative that the naval high command have absolute freedom over the movement of all their ships. Arrangements such as the 1887 agreement which restricted the Admiralty's control over the movement of particular ships were anathema in such a philosophy.

Mahan's writing were widely read, especially in Britain where, through distilling the lessons of history, he appeared to offer the key to Britain's continued global pre-eminence. "Mahan", Arthur Marder has written, "became practically the naval Mohammed of England." Nevertheless Mahan's ideas on sea power were not new. Many of his ideas had been anticipated in Britain in the 1870s and 1880s by writers such as the Colomb brothers, Philip and John, who founded the so-called 'blue water school' of naval thought. Nor was the Admiralty ignorant of these principles before the publication of Mahan's work as has sometimes been suggested as an explanation for their acceptance of the restrictions of the 1887 agreement. As we have seen the importance of fleet concentration had been emphasized.

**Marder, The Anatomy of British Sea Power, p. 47.**

by Lord Hamilton at the 1887 colonial conference. The Admiralty had entered the 1887 agreement fully aware of the strategic objections to limiting the movement of the Auxiliary Squadron.

It was not the publication of Mahan's works so much as changes in the balance of global naval forces which underlined the importance of strategic mobility to Admiralty in the 1890s. In 1896 the Director of Naval Intelligence (Captain Lewis Beaumont) warned that British naval policy "must be reconsidered from the point of view that 'Certain Changes' have established new conditions." At the heart of the problems outlined by Captain Beaumont was the Franco-Russian Alliance, formally concluded in August 1891. Together the French and Russian navies were nearly equal in strength to the Royal Navy. Also the rapprochement of Russia and Turkey meant that Britain could no longer count on Turkish assistance to prevent the Russian Black Sea fleet entering the Mediterranean to threaten British communications through the Suez Canal. Moreover both France and Russia had embarked on expanded naval programmes. In 1891 France had announced her intention

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31 Cd. 5091, op. cit., p. 42. See above Chapter 1, p. 44.

to spend £37,000,000 over the following ten years replacing no less than eighty-two obsolescent vessels with new ships, including ten new battleships. Russia too had moved to upgrade her fleet, in particular her Black Sea fleet, which had implications for Britain's position in the Mediterranean.\textsuperscript{33}

The pressure for strategic freedom created by the changed balance of naval power was reflected in a memorandum on "The Principles of Colonial Defence" produced by the Colonial Defence Committee in 1896. The Colonial Defence Committee had been established in 1885 as a committee of the Colonial Office to advise and co-ordinate the colonies on defence matters. From its inception it became a stronghold of 'blue water' strategic ideas and constantly emphasized the importance of sea power as the basis upon which the security of the empire rested. The committee's first secretary, Sir George Clarke, had been greatly influenced by the writings of 'blue water' theorists such as Sir John Colomb and Alfred Mahan. "It became my ambition", he later wrote in a reference to Mahan, "to develop a school of thought in regard to the broad aspects of national defence and security, founded upon the teaching of the past."\textsuperscript{34}

\textsuperscript{33} Marder, \textit{The Anatomy of British Sea Power}, pp. 162-163.

\textsuperscript{34} Sydenham of Combe, \textit{op. cit.}, pp. 40-41.
In their memorandum the Colonial Defence Committee stressed the necessity for the Admiralty to have "the absolute power of disposing of their forces in the manner they consider most certain to secure success."

The Admiralty, the C.D.C. claimed, had "accepted the responsibility of protecting all British territory abroad against organized invasion from the sea." Absolute protection, however, could not be guaranteed. "It is recognized", the C.D.C. explained, "... that H.M.'s ships, engaged in hunting out and destroying the squadrons of the enemy, may not be in a position to prevent the predatory raids of hostile cruisers on British ports." Nevertheless there could be no question of purely local defence. "The Admiralty", it was stated, "object to limit the action of any part of [their forces] ... to the immediate neighbourhood of places which they consider may be more efficiently protected by operations at a distance."

At the 1897 colonial conference the strategic principles outlined in the C.D.C's memorandum were translated into an attack on the 1887 naval agreement. The opening shots against the naval agreement were

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36. Ibid.
37. Ibid.
fired by Captain Lewis Beaumont. Though Director of Naval Intelligence, Beaumont was present at the conference in his capacity as a member of the Colonial Defence Committee. Asked by Joseph Chamberlain (the Secretary of State for Colonies) to comment on the naval agreement, Beaumont criticized the restrictions on the operations of the Auxiliary Squadron and the principle that contributions gave the colonies the right to decide the movement and disposition of particular ships. "The objection", Beaumont claimed,

if I may give my opinion on that point, as I have no instructions, the objection certainly is the restriction to the use of the ships and a general desire that there appears to be that the contribution should entitle Colonies to have ships in their waters both in peace and probably in war.\(^3\)^

Beaumont's criticism of the naval agreement brought forth a storm of protest from the Australian premiers. Chamberlain's belief that the naval agreement represented a willingness on the part of the Australian colonies to contribute to general imperial defence was dispelled. The Auxiliary Squadron, New South Wales premier George Reid explained, was a part of Australian defence, separate "altogether of Imperial naval defence of the Empire as a whole."\(^3\)\(^9\) Sir George Turner of

\(^3\)\(^8\) Minutes Colonial Conference 1897, p. 55.

\(^3\)\(^9\) Ibid.
Victoria gave voice to the fears of all the premiers when he stated:

What we are afraid of is this: we are afraid of being in this position. Suppose a war broke out, these vessels might be taken away altogether from Australia and used to attack the enemy's commerce in another part of the world leaving us defenceless after we had paid a very large sum. That is our fear. 46

Despite assurances by Beaumont and Chamberlain that the Admiralty had accepted responsibility for protecting the empire from invasion and mention of the writings of Mahan and the importance of fleet concentration, the Australian premiers were intractably opposed to any relaxation of the limitations on the movement of the Auxiliary Squadron. Indeed not only were they against the lifting of the limitations for fear Australia would be left without naval protection, but they were concerned that without operational restrictions on the ships the Australian subsidy would appear to be a contribution to general imperial defence. This was politically unacceptable. Reid, echoing Sir Samuel Griffith ten years before, explained that any contribution to general imperial defence would "meet with a tremendous outburst .... that would do more harm than good." Australians were concerned only with their

46 Ibid, p. 57.
local defence and while, as Reid continued, "if war threatened [they] would be ready to vote any amount and go by the thousand to fight for the old country" in peacetime the defence of the empire at large was seen as a British responsibility.  

With the Australian premiers angered by the suggestion that changes should be made to the naval agreement the First Lord of the Admiralty (George Goschen) and the First Sea Lord (Admiral Sir Frederick Richards) appeared before the conference. Goschen tried to allay Australian concern. "The declarations which have been made by some of the colonial leaders", he explained, "have convinced me as to the difficulties which would beset other methods of colonial contribution." While admitting that the colonial subsidy fell a long way short of the cost of operating the squadron Goschen assured the premiers that the Admiralty were "content to abide by the existing agreement." Indeed he refuted claims that the Admiralty wanted the operational restrictions on the squadron removed. The Admiralty's requirements in regard to the ships, he asserted, had been misunderstood. Goschen referred specifically to a speech by the Duke of Devonshire in 1896. The Duke of Devonshire, who was

41. Ibid, pp. 60-62.
42. Ibid, p. 140.
Chairman of the Standing Defence Committee of the Cabinet, had quoted at length the Colonial Defence Committee's memorandum "The Principles of Colonial Defence" and had emphasized the Admiralty's claim to the absolute freedom over the disposition of their forces. "If it has been said", Goschen explained,

that we want to have the full and free disposal of our ships, this certainly as far as my own policy and that of the present Board is concerned, does not mean that we claim to withdraw the ships built under our agreement with the Australasian Colonies and send them to the Cape or to China, but rather that we desire freedom so to manage the ships as best to protect that zone and that sphere to which they belong.

Goschen's statement that the Admiralty were happy with the 1887 agreement and did not want the operational restrictions on the Auxiliary Squadron removed was opposite to the claims of his Director of Naval Intelligence. What was the real feeling in the Admiralty? Captain Beaumont's criticisms of the agreement have generally been regarded as an abortive bid by the Admiralty to obtain full strategic control

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43 The Duke of Devonshire's speech, made at the Guildhall on 3 December 1896, is reported in *The Times*, 4 December 1896.

44 Minutes Colonial Conference 1897, p. 142.
over their forces. However there had been no decision by the Admiralty to press for changes to the naval agreement in 1897. Indeed the Admiralty does not appear to have anticipated discussion of the naval agreement in 1897. There are few documents in the Admiralty Papers relating to the 1897 conference, a marked contrast to the bulky file associated with the naval discussions in 1902. The agreement, after all, was not due to expire until 1901. Moreover in 1896 in a letter to the governor of Queensland (Lord Lamington) which was endorsed by the Admiralty, Joseph Chamberlain had urged discussion of the agreement be discouraged. Sir Hugh Nelson, the premier of Queensland, was calling for the abandonment of the agreement and the diversion of colonial funds back to the development of local defences. Discussion of the agreement, Chamberlain had told Lamington, "might tend to commit them [the Australian colonies] finally to the views at present held by Sir Hugh Nelson."


46 Sir Hugh Nelson, Premier of Queensland, to Lord Lamington, Governor of Queensland, 20 August 1896, P.R.O., Adm 1/7299.

47 Chamberlain to Lamington, December 1896, P.R.O., Adm 1/7299. For Admiralty approval of this letter see Admiralty to Colonial Office, 30 December 1896, P.R.O., Adm 1/7299.
While the Admiralty does not appear to have expected the limitations on the operation of the Auxiliary Squadron to be raised at the colonial conference and had not prepared a case for their removal there is no doubt they would have preferred that there were no restrictions. Speaking after the conclusion of the conference Goschen commended an offer by Cape Colony of financial assistance to the Royal Navy with no restrictions or limitations on the Admiralty's authority. "The best plan to assist the power of the British Navy, the best plan to defend the Colonies", he claimed, "is to leave an entirely free hand to the central authorities which organize Imperial Defence." Nevertheless the objection to the limitations was based largely on principle. While changes in the global naval situation had underlined the importance of fleet mobility the position had not yet been reached where the restrictions on the Auxiliary Squadron were a serious handicap to Admiralty strategy. Despite the emphasis by Mahan and other 'blue water' writers on fleet concentration the Royal Navy was still a very dispersed force. Of its battleships, the most important vessels in terms of fleet

48 Speech at the St. George's Club, 10 July 1897, reported in The Times, 12 July 1897. Cape Colony had offered to provide a cruiser for the Royal Navy. This was subsequently converted into an annual grant of £30,000.
concentration, the largest number, eleven, were stationed in the Mediterranean. A further eight belonged to the Channel Fleet and eleven second-class ships were attached to the Home Fleet. Three, however, were based in the Far East and a battleship was also allocated to both the American (West Indies) and Cape squadrons. Cruisers and smaller vessels were even more widely scattered.\(^4^9\)

If the limitations on the Auxiliary Squadron were not yet so inconvenient as to make their removal imperative, there were also substantial reasons to continue the agreement regardless of the restrictions. The cancellation of the agreement would inevitably have led to a renewal of colonial naval development and the Admiralty had no more desire to see this than they had in 1887. Furthermore, though the Australian premiers were adamant that the naval subsidy was not a contribution to general imperial defence, from Britain's point of view it still embodied an important principle. Beneath the Queensland premier's calls for the abandonment of the naval agreement was the belief that the colonies should concern themselves only with their coastal and harbour defences. All other defence

\(^{4^9}\) Kennedy, *The Rise and Fall of British Naval Mastery*, p. 206.
was a British responsibility. Clearly this was not a sentiment that a British government hoping to secure greater assistance from the colonies would want to encourage. The naval agreement at least demonstrated that the colonies were prepared to assist Britain in the defence of joint interests such as Australian maritime trade. Prior to 1887 this had not been the case. As Chamberlain had explained in 1896: "The present payment toward the Navy is a distinct proof that the Australian Colonies have no desire to avoid a form of contribution solely because it also contributed to the welfare of the United Kingdom."

The imperial authorities were still hopeful that the other colonies could be persuaded to contribute to naval defence. The offer of assistance from Cape Colony gave further encouragement to this hope. At the end of the conference Goschen invited Canada to enter into negotiations with the Admiralty. In explaining the Admiralty's continuing support for the naval agreement

50. Sir Hugh Nelson, Premier of Queensland, to Lord Lamington, Governor of Queensland, 20 August 1896, P.R.O., Adm 1/7299.
51. Chamberlain to Lord Lamington, December 1896, P.R.O., Adm 1/7299.
52. Minutes Colonial Conference 1897, p. 140.
Goschen referred to the example of colonial assistance it afforded. "I value the principle", he stated, which is involved in the contribution of the Colonies to the Navy which was settled some years ago and I think it would be a great pity and a retrograde step if such ties as have been established were to be cut.  

Finally the 1887 agreement was of value to Britain because it encouraged reliance upon the Royal Navy. The possibility that the larger colonies might separate from the empire was an ongoing concern of British officialdom. It had been publicly described by Chamberlain in 1895 as "the greatest calamity that could befall us."  

The common dependence of the colonies upon the Royal Navy for defence was seen as a unifying factor, binding the colonies to Britain. This role of the navy uniting the geographically scattered colonies was emphasized by Chamberlain in his opening speech to the colonial conference. "Nothing", he had warned, "would be more suicidal or more fatal than any of those great groups of colonies ... to separate themselves in the present stage from the protecting forces of the mother country."

53 Ibid.
55 Minutes Colonial Conference 1897, p. 4.
While the Admiralty were prepared to continue the naval agreement without change until its expiry in 1901 they were concerned at the belief in Australia that the ships were for local defence. As we have seen above the Admiralty had been subject to repeated requests from the colonial governments in the early 1890s for visits by warships to the various capital cities. This had led to complaints from the admiral commanding on the station that the colonial governments were trying to tie the ships down to port defence. In 1896 this issue had re-emerged when the governors of Victoria, New South Wales and Queensland had all written to London expressing concern at the belief in the colonies that the ships were for local defence. "There is in all the Colonies", New South Wales governor Lord Hampden had claimed, "a very general belief that the 'Agreement' gives their governments the right to claim the assistance of the Squadron in performing purely local duties, in no sense Naval."

At the colonial conference Captain Beaumont, while criticizing the limitations on the Auxiliary Squadron

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56 Lord Lamington, Governor of Queensland, to Colonial Office, 20 August 1896. Lord Hampden, Governor of New South Wales, to Colonial Office, 26 March 1897. Lord Brassey, Governor of Victoria, to Colonial Office, 1 June 1897. P.R.O., CO 537/94.

57 Lord Hampden to Colonial Office, 26 March 1897, P.R.O., CO 537/94.
in general terms, had also distinguished between the waters of the Australia Station as set down in the 1887 agreement and the colonial perception of Australian waters. It was this difference, Goschen subsequently claimed when he appeared before the conference, that had led to the misunderstanding of the Admiralty's requirements. While the ships were to operate within the waters of the Australia Station there could be no question of the Admiralty "hugging the shore"; of ships being allocated to the defence of a particular colonial port. "We must rely upon the localities themselves", he explained, "for the defence of these ports, while on our part we undertake that no organized expedition should be directed against any part of Australia."

The Australian premiers agreed that the division of the squadron among the colonial capitals would undermine the effectiveness of the force and leave Australian trade exposed to attack. They also accepted that the Admiralty had the right to use the ships in the islands of the western Pacific. Under the naval agreement this area was within the Australia Station but the use of the ships among these islands and especially in Samoa had elicited complaints from the colonial

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58. Minutes Colonial Conference 1897, p. 56.
A resolution was passed declaring "that the statement by the First Lord of the Admiralty with reference to the Australian Squadron is most satisfactory, and the Premiers of Australasia favour the continuation of the Australian Squadron under the terms of the existing agreement." 

The experience of the 1890s vindicated the 1887 naval agreement from the Admiralty's point of view. There were some difficulties, notably the attempts by the colonies to have the ships dispersed among the various colonial ports, but on the whole the agreement achieved its objectives. Naval development by the Australian colonies ceased and the existing colonial navies declined. The events of the 1890s, however, also revealed a flaw in the Admiralty's policy. In seeking to contain naval development by one group of colonies the Admiralty had supported the creation of a subsidized 'Auxiliary Squadron' restricted in its operations to one area. As the balance of world naval forces shifted to the disadvantage of Britain the lack

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"Ibid., p. 57. In 1893 there had been complaints in the N.S.W parliament about the use of a cruiser belonging to the Auxiliary Squadron to remove King Mustafa from Samoa. See Trainor, op. cit., p. 207.

"Minutes Colonial Conference 1897, p. 148."
of strategic flexibility this involved became more serious. Moreover the growth of the naval estimates led to greater demands in Britain for the colonies to bear a larger share of the cost of naval defence. The 1887 agreement was mistakenly applauded by supporters of the imperial federation movement as an example of colonial willingness to help. But the 1887 agreement had never been intended as a model for wider colonial participation in imperial defence and with relatively fewer ships the Admiralty could not afford to enter into further agreements which limited their strategic flexibility.

The misunderstanding of the 1887 agreement by the supporters of the imperial federation movement caused particular embarrassment for Britain at the 1897 colonial conference. Joseph Chamberlain's comments on the agreement reflected a woeful lack of preparation on the part of the Colonial Secretary and his department. Even a cursory review of the records of the 1887 conference would have been sufficient to show that the naval subsidy did not represent a willingness by the Australians to assist in the general defence of the empire. Moreover Chamberlain's calling upon Captain Beaumont to speak on the naval agreement without warning or instructions from the Admiralty, indicated a serious lack of inter-departmental co-operation. In
the short term at least, however, the Admiralty learnt from the experience. The 1902 colonial conference was to see detailed preparations by the Admiralty, with carefully defined objectives and extensive documentation to support their case.
Upon taking up the Australia command in December 1900 Admiral Sir Lewis Beaumont was instructed that "it is desirable, in the opinion of their Lordships, that the present restriction to the employment of the vessels of the Australian Squadron elsewhere than in Australian waters should be removed from the existing agreement, or should be omitted in a new one."¹ This was a substantial change from the Admiralty's position only four years earlier. At the 1897 colonial conference the First Lord of the Admiralty (George Goschen) had declared that the Admiralty were happy to continue the naval agreement as it was and had denied reports that the Admiralty wanted the limitations on the operation of the Auxiliary Squadron removed. Goschen's statement was now regarded by the Admiralty as unfortunate and a complication to future negotiations with Australia.²

The new First Lord of the Admiralty (Lord Selborne) believed the limitations on the movement of the Auxiliary Squadron were a "cardinal defect" of the 1887

¹ Admiralty to Beaumont, 6 December 1900, P.R.O., Adm 1/7611.
² N.I.D. memorandum, "Interim Report on Future Relations of the Commonwealth with the Royal Navy", 1900, P.R.O., Adm 1/7514.
agreement which had to be avoided in any new arrangement. "Under no circumstances", he told the Board of Admiralty in May 1902, "will I consent to an arrangement by which the hands of the Admiralty would be tied in respect of the orders they might wish to give to such ships at the outbreak of war. I would rather forego any contribution from Australia and New Zealand than consent to this." 4

What had caused this dramatic shift in the Admiralty's position in the space of only four years? "This change", Donald Gordon explains, "stemmed mainly from the growth of the 'blue water' school of thought in the Royal Navy with its emphasis on the concentration of power for a decisive clash at sea." 5 It is a view that has been tacitly accepted by other writers. 6 Such an interpretation, however, relies mainly upon the public pronouncements of the Admiralty, and the Admiralty's public statements did not always give a true, or at least complete, picture of the factors which shaped their policy. The publication of

4. Ibid.
6. See for example Preston, op. cit., p. 302.
Alfred Mahan's *The Influence of Sea Power Upon History* in 1890 and *The Influence of Sea Power Upon the French Revolution and Empire* two years later had done much to promote 'blue water' ideas among both the general public and the navy. But as we have seen above the Admiralty had been aware of the importance of fleet concentration and strategic mobility when they had accepted the restrictions on the operation of the Auxiliary Squadron in 1887. What made the position different in 1902 was that Britain's naval situation had changed.

For much of the nineteenth century the Royal Navy had been the unchallenged master of the world's oceans. Britain was able to maintain both a fleet strong enough to ensure superiority in European waters and provide naval forces scattered around the globe to protect her overseas empire and worldwide commercial interests. During this period, writes Professor Lloyd, "British sea power exercised a wider influence than has ever been seen in the history of maritime empires." From the 1890s, however, competition from European powers and the rise of the United States and Japanese navies outside of Europe began to erode this supremacy. The October 1896 memorandum on naval policy by the Director of Naval Intelligence referred to in the previous chapter was an early warning within the Admiralty that

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Britain's naval position had deteriorated since the introduction of the 'two power standard' in 1889. The full impact of this deterioration, however, was not appreciated by the Admiralty until 1901. "In a matter of less than a year, between the months of January and September 1901", Aaron Friedberg notes in his recent study of British decline, "Admiralty officials came to the conclusion that past policies and, to a certain extent, past ways of thinking about the naval balance would have to be modified." More than a newfound appreciation of 'blue water' strategic ideas, this new assessment of Britain's naval position was to have a decisive influence upon the Admiralty's position at the 1902 colonial conference.

The recognition of British naval decline within the Admiralty coincided with the appointment of Lord Selborne as First Lord of the Admiralty. A comparatively young man for a First Lord, he was only forty-one at the time of his appointment in November 1900. Selborne had no experience of naval administration. Nevertheless he was to prove an able administrator with a gift for detail and a mind

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8 D.N.I. memorandum, 28 October 1896, see above p. 79.
receptive to new ideas. Within a year of Selborne's appointment the Admiralty conceded that Britain had lost command of the sea in the western Atlantic. Britain could not compete with the burgeoning naval power of the United States and the supremacy of the United States Navy in the waters of North America was accepted. Britain's position in Far Eastern waters was the next concern. Here Russian imperialism was threatening to bring about the partition of China. Traditionally the dominant western power in China, Britain had important trading interests to consider. However by 1901 the Royal Navy's presence in Far Eastern waters had fallen below the combined forces of France and Russia let alone the rapidly expanding navy of Japan. The British Foreign Secretary, Lord Lansdowne, noted that while Britain's naval forces in the Far East were equivalent to 170,000 tons, those of Russia were equivalent to 120,000 tons, France 80,000 tons and Japan 200,000 tons. Moreover while the British squadron was superior to the Russian forces in overall tonnage the Royal Navy had fewer armoured ships; only four battleships and two armoured cruisers


in comparison with Russia's five battleships and six armoured cruisers.¹³

In September 1901 Selborne spelt out to his cabinet colleagues the difficulty of the Royal Navy's position in the Far East. A strengthening of the Royal Navy's forces to equal those of France and Russia, still considered the leading enemy powers, Selborne explained, could only be achieved by seriously weakening British fleets closer to home. "It would leave us with little or nothing more than a bare equality of strength in the Channel and Mediterranean", he warned, "and a bare equality at the heart of the Empire is a dangerous risk."¹⁴ One solution would have been to further expand the Royal Navy. But in 1901 the war in South Africa was at its height and the defence budget had sky-rocketed to an extraordinary 62.5% of total government expenditure. Rather than the usual surplus the annual budgets showed massive deficits, approximately £53 million in 1901.¹⁵ Though the navy accounted for less than a quarter of defence spending in 1901 the Admiralty was under considerable pressure from the Treasury to reduce the estimates. The Admiralty, Lord Selborne was told by the Chancellor of

¹³ Marder, The Anatomy of British Sea Power, p. 429.

¹⁴ Selborne memorandum, "British Naval Policy in the Far East", 4 September 1901, P.R.O., Cab 37/58.

the Exchequer, would have to "cut its coat according to its cloth." 16

The solution proposed by Selborne was for Britain to enter into an alliance with Japan. "Great Britain", he explained, "would [then] be under no necessity of adding to the number of battleships on the China Station, and at least would be in a position to contemplate the possibility of shortly establishing a small margin of superiority in reserve at home, [while] the number of cruisers could be reduced on the station and increased on other stations where badly required." 17

The alliance between Japan and Britain was signed on 30 January 1902. Limited to the "extreme east" it provided that in the event of a war involving either Great Britain or Japan the other party would "maintain a strict neutrality and use its efforts to prevent other Powers from joining in hostilities against its Ally." 18 Only if a second power entered the war would either party be obliged to come to the assistance of


17 Selborne memorandum, "British Naval Policy in the Far East", 4 September 1901, P.R.O., Cab 38/58.

the other. From the naval point of view the most important aspects of the agreement were contained in an accompanying secret diplomatic note. Britain and Japan agreed to "maintain, so far as may be possible, available for concentration in the waters of the Extreme East a naval force superior to that of any third Power." The vagueness of this secret obligation was due to the insistence of the Admiralty. Having supported the alliance as a way of relieving the pressure on their fleets the Admiralty did not wish to be committed to maintaining a fixed number of ships in the Far East. Indeed, though the number of British battleships in Far Eastern waters remained at four, two cruisers were removed in 1902 despite a strengthening of the Russian fleet there.

The secret provisions of the Anglo-Japanese Alliance exercised a decisive influence upon the Admiralty's position on a new naval agreement with Australia and New Zealand at the 1902 colonial conference. Surprisingly the importance of the Anglo-Japanese Alliance to the naval discussions in 1902 has

10. Ibid.


not been emphasized in the standard treatments of the colonial conference. Neither Gordon nor Preston mention the secret provisions of the agreement. Though the level of naval forces Britain was committed to maintain in the Far East was not clearly defined there is no doubt that the Admiralty were obliged to maintain a certain naval force "available for concentration" in China waters. The Admiralty interpreted this as including British vessels stationed anywhere in the Pacific. This was made clear in April 1903 when Japan raised the question of the British naval forces in the Far East, suggesting they were not commensurate with the undertaking contained in the secret diplomatic notes. The words "available for concentration", Lord Selborne explained in reply, had been very carefully chosen and were meant to include ships maintained on the Australia, Pacific and East Indies Stations as well as China.

From the Admiralty's point of view the secret provisions of the Anglo-Japanese Alliance made it imperative their squadron based in Australia was free

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to be concentrated in China waters. The limitation of the squadron to the Australia Station, as had been accepted in 1887, would certainly have led to Japanese protests that the ships could not be included in an assessment of British forces "available for concentration in the waters of the Extreme East". This, in turn, would have obliged the Admiralty to increase the number of ships in the Pacific thereby defeating the purpose of the Anglo-Japanese Alliance. The crucial role this consideration played in determining the Admiralty's attitude at the 1902 colonial conference is evidenced by the Admiralty's willingness to accept the restriction of their Australian based forces to an area encompassing the Australia, East Indies and China naval stations. This decision was taken at an informal meeting of Admiralty officials on 21 April 1902. At this meeting, called to discuss the Admiralty's position at the forthcoming colonial conference, it was decided to request complete freedom over the operations of all their ships. If pressed by Australia and New Zealand, however, it was agreed that the restriction of the ships to the Australia, East Indies and China stations would be acceptable.\(^4\) Such a concession, while continuing the principle that colonial subsidies implied a measure of colonial control, would still

\(^{24}\) Admiralty memorandum, "Colonial Naval Contribution", 28 April 1902, P.R.O., Adm 1/7611.
enable the ships to be concentrated in China waters and therefore recognized as part of Britain's commitment under the terms of the alliance with Japan.

A further indication of the importance of the Anglo-Japanese Alliance to the Admiralty's position on a new naval agreement with Australia and New Zealand is the way the subsidy requested by the Admiralty at the conference was calculated. With the Admiralty under pressure to contain its expenditure, Selborne had resolved to press for greater subsidies from the colonies. "The principle on which I propose to proceed", he declared, "is to prepare a scheme in which the Admiralty will ask from Australia and New Zealand a substantial proportion of what .... [they] ought to give." Selborne memorandum, 20 May 1902, P.R.O., Adm 1/7611.

This initially translated into an annual payment of £367,000, £309,515 to come from Australia, or 1s 7 1/2d per head of population. D.N.I. memorandum, "The British Naval Force in the Eastern Seas", June 1902, P.R.O., Adm 1/7611.

The Director of Naval Intelligence (Admiral Sir Reginald Custance) had based this figure on the naval force Britain was required to maintain in the Far East under the terms of the Anglo-Japanese Alliance. Admiral Custance had calculated that Britain would need to keep four battleships and twenty-five cruisers in the Pacific.
region. "It would be advantageous now", he stressed, "to draw a portion of this great force from the principal parts of the Empire in the east, viz. Australia and New Zealand. As the struggle for maritime supremacy becomes more acute it will be absolutely necessary to do so in the future." 27

While the Admiralty had decided to press for greater subsidies at the colonial conference Selborne admitted that he was "prepared to take eventually whatever Australia and New Zealand are prepared to offer." 28 Ensuring freedom to concentrate their ships in China waters was the Admiralty's first priority in negotiations with the Australasian colonies. If the Australians and New Zealanders would not accept an agreement which gave this freedom to the Admiralty then there would be no agreement. After this, however, reaching an arrangement of any kind with the colonies was the next priority. Selborne was not prepared to let differences between Britain and the colonies over the amount of the subsidy get in the way of an agreement being signed. There were a number of reasons for this. From the point of view of imperial relations an offer of assistance from the colonies, no matter how small,

27 Ibid.
could not be rejected. As the Naval Intelligence Department had pointed out in 1900 Britain's commitment to the defence of the empire and the need to protect British interests in Australia necessitated some warships being stationed in Australian waters whether they were subsidized by the Commonwealth or not. The refusal of a contribution from the Australian government could only harm the imperial connection.  

A new naval agreement, continuing Australia's reliance upon the Royal Navy for protection, was also important as the linch-pin of the Admiralty's strategy to prevent the development of an independent Australian navy. The political and diplomatic objections to such a development had lost none of their relevance in the seventeen years since Admiral Tryon had been sent to Australia. The First Sea Lord, Admiral Sir Walter Kerr, could see only disaster in the construction of an Australian navy. "I foresee great friction and disagreeables", he wrote in 1902, "if it ever comes about." Moreover the desire for larger subsidies from the colonies to help ease the growing defence burden on Britain reinforced the arguments against local navies.

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30. Kerr memorandum, 1 April 1902, P.R.O., Adm 1/7514.
The colonies were not likely to provide more money for the Royal Navy if they had navies of their own to fund. While tapping the resources of the colonies as a way of reinstating British power and relieving British taxpayers was to prove an illusion, in 1902 many in Britain saw it as the empire's only long-term hope. "The Colonies", Secretary of State for War H. Arnold Foster wrote to Selborne in February 1902, "should be induced to contribute men and money to relieve the immense strain upon the U.K. .... It seems scarcely possible to hold any other view than the formation of separate Navies would be a calamity."^{31}

While the Admiralty were re-shaping their Far Eastern strategy the federation of the Australian colonies and the impending expiry of the 1887 naval agreement had given encouragement to supporters of a local naval force in Australia. On 1 March 1901, exactly two months after the promulgation of the Australian Commonwealth, the federal government assumed responsibility for Australian defence. Under section 69 of the constitution the Commonwealth took control of the naval and military forces of the former colonies. The

^{31} Arnold Foster to Selborne, "Colonial Navies - Colonial Contributions", 12 February 1902 quoted in Meaney, *op. cit.*, p. 81, f.n.
colonial navies were in a parlous condition. No colonial warships had been commissioned since 1891 and the few ships that remained were obsolete. The most capable vessels in the newly formed Commonwealth Naval Forces, the ex-South Australian gunboat Protector, had been completed in 1884. To the officers and supporters of the former colonial navies federation seemed to have come only just in time.

At the colonial conference in London in 1897 a proposal for the establishment of an Australian branch of the Royal Navy Reserve had been tabled by South Australian premier Charles Kingston. The plan, however, failed to gain the support of the other colonial leaders and had been dropped.²² The First Lord of the Admiralty, George Goschen, had subsequently announced that Britain was willing to pay suitably qualified Australian reservists the standard retainer of £7 19s 8d a year. But, Goschen stressed, the Admiralty would neither provide the ships necessary for the training of the reservists nor meet the additional expenditure which would be necessary to attract Australians to a reserve scheme.²³ As the wages out of port for seamen in Australia were £6 per month, far above the retainer offered by the Admiralty, a naval reserve scheme would

²² Minutes Colonial Conference 1897, pp. 122-124.
²³ The Times, 28 July 1898.
require substantial subsidies from the colonial
governments to attract suitable men. These were not
likely to be forthcoming.  

In 1899 a meeting of colonial naval officers was
corvened in Melbourne by the Victorian Secretary for
Defence (Captain Robert Muirhead Collins) to consider
the practicability of establishing a branch of the
Royal Navy Reserve in Australia. After examining the
situation they admitted that the Admiralty's conditions
effectively ruled out an Australian branch of the Royal
Navy Reserve. Nevertheless the colonial naval officers
believed that a distinctive Australian naval force
could still be created. The colonial naval officers
argued that if the existing colonial naval expenditure,
about £65,000 per year, was combined with the annual
subsidy of £126,000 toward the upkeep of the Auxiliary
Squadron, it would be possible to provide for the
maintenance of a fleet of five second-class cruisers in
Australian waters and for the raising and maintaining
of a reserve to man them. "When the Auxiliary
Squadron was first established", they claimed, ".... it
was generally understood, in Australia at any rate,
that the ships would form a means of drilling and

34·Macandie, op. cit., p. 61.

35·C.P.P., 1901-2 session, Vol. II, No. 27, "Report
of the Conference of Naval Officers Assembled at
Melbourne, Victoria, to Consider the Question of Naval
Defence for Australia", p. 7.
training Australian seamen." This expectation, however, had never been realized and consequently there had been no advance in Australia's ability to undertake a share in her sea defence. If the present policy of hiring naval protection from Britain was not changed, the colonial naval officers pleaded, in "twenty or fifty years hence Australia's ability for sea defence - for self-defence - will be as to-day and as it was ten years ago." 30

To support their case the colonial naval officers drew attention to the increasing naval power of France, Russia and Japan in the Pacific. "In the event of a European combination of such strength as to occupy the attention of the British fleets", they warned, "the continuance of a policy which in no way advances Australian ability for sea defence might have disastrous consequences." 31 This plan, however, was dependent upon the benevolent support of the Admiralty. It assumed that Britain would provide, free of cost, the five cruisers on which the Australian reservists would train. But Admiralty policy for nearly two decades had aimed at discouraging Australian naval development. Despite initial suggestions that the Auxiliary Squadron might be used to train Australian

30. Ibid.
31. Ibid.
reservists no provision for this had been made in the naval agreement. Moreover following the 1897 colonial conference George Goschen had made it clear that Australians could not expect the Admiralty to bear additional expenditure as a sop to local sentiment. "We cannot go on increasing the enormous naval expenditure, and at the same time take special measures for the colonies", he told a deputation from the British Empire League, "unless we see some disposition to meet us half-way, and to bear at least a share of the expenditure that we incur." 38

No public response to the colonial naval officers' proposals was made by the Admiralty. The proposals did, however, receive coverage in The Times newspaper and a lengthy and scathing criticism of them was published. The proposals of the conference of colonial naval officers, The Times declared, were "inadequate, inconsequent and altogether inadmissible." 39 There could be, The Times argued, "no such thing as naval defence for Australia regarded as something distinct from the whole Empire on the seas." According to The Times the only additional protection Australia required beyond that provided by the British fleet was harbour defences. "Properly speaking", The Times explained,

38. The Times, 28 July 1898.
39. Ibid, 9 October 1899.
"this is not naval defence at all. It is local defence, rather military than naval in character against certain minor forms of naval attack."  

Though *The Times*' article did not claim to represent official Admiralty opinion the views it expressed were shared by the Admiralty. In 1900 the Admiralty instructed Admiral Beaumont to actively discourage naval development by Australia. Plans for the establishment of a naval reserve in Australia were described as impractical. "Owing to the inherent difficulties of assimilating the pay and service at sea, in a ship of war, of Colonial seamen with those of the Royal Navy", Beaumont was told, "the Admiralty do not at present see any way of giving practical effect to .... the formation of an Australian Royal Navy Reserve."  

Harbour protection was the only area where the Admiralty could see any direct participation by Australians in their naval defence. "The most suitable direction in which the Naval aspirations of the colonies can be met and turned to use", the Admiralty advised Beaumont, "is in such local harbour defence as they may think necessary."  

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41. Admiralty to Beaumont, 6 December 1900, P.R.O., Adm 1/7611.  
42. *Ibid.*
Beaumont followed his instructions diligently. An ideal opportunity came in 1901 when he was asked by Prime Minister Edmund Barton to advise the Commonwealth on the best method of instituting a system of naval defence for Australia. Barton suggested that the organization which might best suit Australia was a system of naval brigades at the various ports, each one receiving regular training at sea. Beaumont disregarded this suggestion. Instead he recommended the federal government "should take no part in the creation or maintenance of naval reserves or State Naval Forces, which experience has shown cannot be utilized in a manner at all commensurate with their cost, or assist, except within too narrow limits, in the defence of the Commonwealth." Beaumont reinforced his recommendation by submitting that, should the Commonwealth choose to embark on a naval programme, a force of at least two first-class cruisers of around 8,000 tons and six second-class cruisers of around 6,000 tons would be necessary to provide an adequate naval defence for

43. *C.P.P.*, 1901-2 session, Vol. II, No. A 12, "Copy of a Minute by the Right Honorable the Prime Minister to His Excellency the Governor-General Asking His Excellency to Obtain from His Excellency the Admiral Commanding on the Australian Naval Station a Statement of his Opinions on the Subject of the Naval Defence of the Commonwealth of Australia", p. 3.

Australia. This was a far more powerful fleet than was currently in Australian waters and was stronger even than the squadron later provided by the Admiralty. The cost of establishing such a fleet was considerable. The capital cost of the cruisers would be approximately £3,500,000 with a further £100,000 for depots and stores while the maintenance bill would be in the order of £1,000,000 a year.

Expenditure of this magnitude, as Beaumont knew, was far beyond the capacity of the Commonwealth. In his letter to the admiral, Barton had emphasized the need for financial restraint. "The question of funds", he had explained, "is one that cannot of course be ignored and, therefore, it becomes desirable that the greatest amount of good should be obtained at the smallest possible cost."

Under section 87 of the constitution

Ibid, p. 3.

The 1901 naval force in Australian waters, apart from harbour defence craft and gunboats, consisted of one first-class cruiser and obsolete third-class cruisers. The squadron provided by the Admiralty under the terms of the 1902 naval agreement comprised one first-class cruiser, two second-class cruisers and five third-class cruisers.


C.P.P., 1901-2 session, Vol. II, No. A 12, Barton to Governor General, 10 June 1901, op. cit., p. 3.
the Commonwealth was obliged to return three-quarters of its revenue from customs and excise duties - its major source of revenue - to the states for a period of ten years. Barton had suggested in his letter that financial considerations alone meant that there would "probably be some objection to the establishment and maintenance of a large permanent naval force." Beaumont must have felt confident that any hopes Barton had for creating an Australian navy would be shattered by his assessment.

Beaumont's tactic of discouraging the development of a local navy by recommending a force far beyond the Commonwealth's financial resources, however, almost came unstuck. In September 1901 Captain William Creswell, the leader of the navalist movement in Australia, submitted to the government a proposal for the establishment of an Australian navy "by progressive steps during a fixed course of years, each forward step and addition to the federal naval strength to be met by a reduction in the contribution to the Imperial Government, finality being the taking over by Australia

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of the protection of her own floating trade."51 Creswell's scheme has been discussed elsewhere and need only be outlined here.52 Its most important feature was that it did not rely upon the goodwill of the Admiralty. Experience had led Creswell to conclude that no scheme for an Australian navy was going to receive support from that quarter. "Discouragement and aloofness", he wrote in 1901, "have been the constant attitude of the Imperial authorities towards naval development in every Australian colony."53 Australia, Creswell suggested, should initially purchase only a single cruiser for training purposes, adding a further ship every two or three years until by 1909 there would be a squadron of four vessels. An annual appropriation of £350,000, Creswell postulated, would be sufficient to cover the costs of such a programme. This, he argued, out of the 1901 defence budget of £850,000 was


53. Macandie, op. cit., p. 87.
"a moderate proportion in a country only liable to naval attack." 54

Creswell's proposals gained considerable support. Of Australia's major newspapers the Brisbane Courier, Sydney Morning Herald, Sydney Argus, Melbourne Age and Adelaide Register all approved of his scheme. 55 The Admiralty marshalled their resources in opposition. Admiral Beaumont sent a devastating critique of the plan to the Minister for Defence Sir John Forrest. The force proposed by Creswell, Beaumont argued, would not provide an adequate defence for Australian trade; only a full-time professional force could do that. Furthermore, Beaumont questioned the modest appropriations Creswell claimed his scheme would involve. "It appears to me", he told Forrest, "that every one of the estimates given is too low and that as the system depends for its success upon the gradual training of a body of Officers and men proceeding concurrently with the acquisition of the material in Ships, Stores and Armament, it will cost a great deal more than has been shown and will, for a great many years, be unequal to its task." 56

55. Meaney, op. cit., p. 79.
At a personal level the Admiralty harnessed the support of Britain's vice-regal representatives in Australia. This avenue had already been used by Lord Selborne. In March 1901 he had written to his friend Lord Tennyson, the governor of South Australia, criticizing a proposal by Captain Creswell for a local naval force. Giving an early indication of his concern at Britain's position in the Far East, Selborne urged Tennyson to use his influence to persuade Australians to assist Britain in the maintenance of the China Squadron rather than developing their own navy. "Australia", he wrote, "should aim at adding to the real strength of the Imperial fleet in China waters. She should either provide herself or give us the means to provide ships capable of keeping the sea, and of meeting the powerful cruisers of France and Russia whether in China or Australian waters." 57 Faced with a new proposal by Captain Creswell the governor general (Lord Hopetoun) also used his influence to undermine the supporters of a local Australian navy. "I know what their feeling is", he told Edmund Barton in August 1901, "they dread the idea of imperial subsidized ships being withdrawn from Australian waters and concentrated in some other perhaps remote part of the world .... but they are apt to forget .... that it is always possible,

57 Selborne to Tennyson, 2 March 1901, Tennyson Papers, N.L.A., Ms479 S3.
nay probable, that the best means of defending the
waters of Australia may be to seek out and destroy the
enemy's fleets in the channel or the Mediterranean or
in China."
Moreover Hopetoun questioned whether those
sections in Australia calling for a national navy were
fully aware of the magnitude and expense of such an
undertaking. "Those who talk glibly about a fleet of
second-class cruisers for the Commonwealth", he warned
the Prime Minister, "hardly appreciate or wilfully
ignore the huge cost of such an undertaking."

The British efforts to undermine the proposals for
a local naval force in Australia were successful. With
the Commonwealth's finances restricted by the
constitution the Barton government's first priority was
to keep a tight rein on expenditure. Admiral Beaumont's
estimates of the size and cost of an Australian navy
were an effective deterrent to the Barton government
embarking on a naval programme. "It is quite out of the
question", Barton told the parliament in August 1901,
"for the Commonwealth to engage in the building of a
sufficient navy to protect her shores." Barton based
this statement on the figures that had been supplied by

"Hopetoun to Barton, 2 August 1901, Barton
Papers, N.L.A., Ms51 S1/811.

"Hopetoun to Barton, 29 April 1902, Barton
Papers, N.L.A., Ms51 S1/479.

C.P.D., 1901-2 session, Vol. III, p. 3600, 9
August 1901.
Beaumont. "It would probably cost £4,000,000 for the construction and equipment alone", he claimed, "... The Commonwealth is not likely to undertake any such outlay as this." Though this figure was subsequently disputed by Captain Creswell the British doubts about the cost of Creswell's proposals served to confirm Barton's feeling that a continuation of the subsidy arrangement was the most economically expedient course for his government to take.

In April 1902 the Admiralty began the preparation of their submissions to the 1902 colonial conference. No official statement on Australian naval defence had been made by the Admiralty since Goschen had been called to speak to the colonial premiers in 1897. After their embarrassing experience at that conference the Admiralty had pursued their objectives in regard to Australia through indirect channels. Admiral Beaumont's advice to Edmund Barton had been couched in terms of a private assessment. Barton was unaware that Beaumont had been instructed by the Admiralty to discourage the development of an Australian navy.

The task of preparing the Admiralty's case for the colonial conference was given to the Director of Naval

*1 Ibid.*
Intelligence, Admiral Sir Reginald Custance. Custance, however, was given precise instructions by the First Lord as to what he was to do. It had already been decided at an informal meeting at the Admiralty on 21 April 1902 that the term "defence" should not be used in any future agreement. In a memorandum in May 1902 Selborne expanded further upon his instructions. Essentially Selborne had three distinct though interrelated objectives. These can be summarized in order of priority as:

1. Ensuring that any new naval agreement with Australia and New Zealand allowed the ships to be concentrated in China waters in order to meet the secret requirements of the Anglo-Japanese Alliance.

2. Deterring the development of local naval forces by the colonies.

3. Securing increased financial contributions from the colonies.

The First Sea Lord explained the ideal outcome for the Admiralty more bluntly. "An enlarged contribution", he stated, "unfettered by conditions, is what we would prefer."

**References:**


63. Selborne memorandum, 20 May 1902, P.R.O., Adm 1/7611.

64. Kerr memorandum, 1 April 1902, P.R.O., Adm 1/7514.
Custance was told to prepare a memorandum for the colonial conference which could serve as a foundation from which the Admiralty could press their objectives. Selborne had a very clear idea of the direction he wanted the discussions at the conference to take. After the memorandum had been tabled, the First Lord explained, "the second stage in the proceedings will be to answer the question we want to elicit from them, 'what do you propose'?" Custance was told that separate answers should be drafted for each of the three colonial groups; Australia and New Zealand, Canada and South Africa. "In the case of the Australians", Selborne instructed, "you should commence by saying 'If it is desired to maintain on the Australian Station such a squadron as was discussed between Sir John Forrest and Sir Lewis Beaumont it will amount to so much and cost so much, then proceed exactly according to the existing Memorandum.'" For the other colonies, where there was no existing agreement, Selborne suggested that Custance outline the strength of the squadrons the Admiralty was currently maintaining in their waters and propose a financial subsidy calculated in the same way as for Australia and New Zealand. 

66 Selborne to Custance, 13 June 1902, P.R.O., Adm 1/7611.

66 Ibid.

67 Ibid.
Information from Australia suggested that Custance had been given a difficult task. The Australian government, Admiral Beaumont had informed London in November 1901, was certain to insist on some say over the movement and disposition of particular ships in return for a financial subsidy. Moreover, Beaumont warned, in his opinion Australia would not accept the removal of subsidized ships from Australian waters in wartime. Despite assurances to the contrary from Barton and Forrest, Beaumont believed that public feeling would lead an Australian government to insist on subsidized warships remaining in Australian waters as long as there was any threat from strong vessels of the enemy.\textsuperscript{\textdegree}\textdegree This was a marked contrast to the claims of Admiral Tryon, who, it will be recalled, had supported his case in favour of the Admiralty accepting operation restrictions on subsidized ships with the argument that the colonial governments were likely to put the vessels at the Admiralty's disposal in the event of war.\textsuperscript{\textdegree\textdegree}

Custance's task was all the more difficult because the Admiralty's objectives were as much motivated by British political considerations as they were by naval requirements. The restrictions the 1887 agreement had

\textsuperscript{\textdegree\textdegree} Beaumont to Admiralty, 14 November 1901, P.R.O., Adm 1/7514.

\textsuperscript{\textdegree\textdegree} See above pp. 37-38.
placed on the operation of the Auxiliary Squadron were now seen as a serious handicap to naval operations. But it was the alliance with Japan which made it imperative for the Admiralty to be able to concentrate their Australian based forces in China waters. Likewise, Admiralty opposition to the development of colonial coastal defence forces was founded upon a belief that such navies would be a source of friction between the colonies and the mother country and a concern that irresponsible colonial governments might use these forces in a way which jeopardized British foreign policy. Moreover the establishment of colonial navies would make it more difficult for Britain to secure financial subsidies from the colonies and the British government was eager for colonial subsidies as way of relieving the burden of naval defence upon British taxpayers.

The problem for Custance was that the political considerations shaping the Admiralty's position at the 1902 conference could not be explained to the colonial governments. The naval provisions of the Anglo-Japanese Alliance were a closely guarded secret and were not revealed until after the First World War. Nor was any British prime minister going to tell his Australian counterpart that the Commonwealth could not develop a local navy because in the view of the British government Australians were too irresponsible and
unreliable to be entrusted with their own fighting ships. Such candour could only damage the imperial relationship. A method had to be found to secure the Admiralty's objectives without revealing to the colonies the Admiralty's deeper motives.

The solution adopted by Custance was to use 'blue water' strategic principles to argue that only a single, centrally-controlled navy subsidized by the colonies could provide adequate security for the empire. In a document entitled "Memorandum on Sea Power and the Principles Involved in it", Custance used historical anecdotes to illustrate the principles of 'blue water' strategy. "The command of the sea", he claimed, "is determined by the result of great battles at sea, such as Salamis, Actium, Lepanto, those which led up to the defeat of the Armada, and those between the Dutch and English in the 17th century, in which each side concentrated his whole available force for the decisive struggle." For concentration to be effected a single, all-powerful authority was essential:

The immense importance of the principle of concentration and the facility with which ships can be moved from one part of the world to another ... points to the necessity of a single navy, under one control, by which alone concerted action

In keeping with his instructions Custance dismissed the very idea of naval 'defence'. "In the foregoing remarks", he explained, "the word 'defence' does not appear. It is omitted advisedly because the primary purpose of the British Navy is not to defend anything, but to attack the fleets of the enemy and by defeating them to afford protection to British Dominions, shipping and commerce."\(^7^2\)

Having outlined the arguments for unfettered, centralized control Custance laid out the Admiralty’s case for larger colonial subsidies. The naval estimates for 1902-3, he explained, amounted to £31,255,500 or about 15s 1d per head of the population of the United Kingdom. In contrast Australia’s expenditure on naval defence averaged only 10 3/4d per head of population and New Zealand’s 6 1/2d while Canada spent nothing on naval defence. About one quarter of British trade, however, "which it is the ultimate object of the Navy to protect", was not directly connected with the United Kingdom. Rather it was trade carried out by the colonies, either among themselves or with foreign countries.\(^7^3\) The implication was clear. The taxpayers of the United Kingdom were subsidizing the protection of colonial trade which in no way benefited them.

\(^7^1\) Ibid, p. 49.
\(^7^2\) Ibid.
\(^7^3\) Ibid, p. 50.
Custance's memorandum is one of the best known and most frequently quoted of all Admiralty papers. It has been cited in the past as a summary of the Admiralty's thinking on imperial naval strategy. As we have seen, however, the memorandum was produced with a set of clearly defined objectives in mind. These objectives were related to the negotiation of a new naval agreement with Australia and New Zealand and were as much political as strategic in nature. The document must not be divorced from these narrow political aims.

In the document a great deal is made of the principle of fleet concentration. It is because of the need to concentrate forces for the decisive battle, Custance argues, that the central authority must have a totally free hand in the movement and disposition of their ships. No mention is made, however, of the degree of concentration that would be necessary in war. Not every ship would be involved. "The geographical conditions and the varied interests of the maritime powers", Custance states, "prevent such complete concentration in modern times as was practicable in the past."\(^7^4\) Moreover, Custance, explains, "it is battleships chiefly which will have to be concentrated

\(^7^4\) Ibid, p. 48.
for the decisive battle, and arrangements with this object must be made during peace." The Australian and New Zealand prime ministers could have been forgiven for asking how this related to them. There were, after all, no battleships stationed in Australian waters.

An example of how the Admiralty's pronouncements at the conference were tailored toward securing their specific objectives while being put forward as a general explanation of naval policy is afforded by the treatment of local defence. As he had been instructed Custance had spurned the use of the word "defence" in his memorandum. "To use the word defence would be misleading", he had claimed, "because the word carries with it the idea of a thing to be defended, which would divert attention to local defence instead of fixing it on the force from which attack is to be expected." At the conference Selborne elaborated on this. "The real problem", he declared,

which this empire has to face in the case of a naval war is simply and absolutely to find out where the ships of the enemy are, to concentrate the greatest possible force where those ships are and to destroy those ships."?

75. Ibid.

76. Ibid, p. 49. Custance's italics.

77. The complete minutes of the 1902 colonial conference, as with that in 1897, were never published. They are contained in A.A.O.(C), CP103/12/B2 hereafter cited as Minutes Colonial Conference 1902.
From such claims it might be expected that at the outbreak of war every ship would immediately assume the offensive without any provision for local defence. This was certainly the thrust of Selborne's argument to the colonial leaders for he continued:

there can be no localization of naval forces in the strict sense of the word. There can be no local allocation of ships to protect the mouth of the Thames, to protect Liverpool, to protect Sydney, to protect Halifax. If we make any such attempt of the kind we should only be inviting disaster.⁷⁸

These claims, however, were purely for colonial consumption and did not give a true indication of Admiralty policy. For political reasons alone the Admiralty was not likely to send the Royal Navy on an expedition against the fleets of the enemy, perhaps on the other side of the world, leaving the coasts and ports of Britain totally undefended. Barely three months earlier, in a confidential document on the coast defence of the United Kingdom, the Admiralty had declared that:

It is a fundamental principle of Admiralty policy that sufficient force shall at all times be maintained in home waters to ensure command of those seas.⁷⁹


⁷⁹ Admiralty, "Confidential Memorandum on the Strategic Conditions Governing the Coast Defence of the United Kingdom in War as Affected by Naval Considerations", March 1902, P.R.O., Adm 116/900B.
After elaborating the principles outlined in Custance's memorandum Selborne turned to the specific proposals for a new naval agreement with Australia and New Zealand. He announced that the Admiralty were prepared to base five modern second-class cruisers in Australian waters similar to H.M.S. Challenger, a 5,880 ton vessel carrying eleven 6-inch guns. In return Australia and New Zealand were asked to pay an annual maintenance and depreciation charge of £367,000; £304,515 to be paid by Australia and £62,485 by New Zealand. Selborne also proposed that one or two of the modern cruisers be manned by Australians recruited into the Royal Navy while the old Katoomba class vessels could be used as training ships for an Australian naval reserve. This marked a change of attitude on the part of the Admiralty who had earlier dismissed an Australian branch of the Royal Navy Reserve as impractical because of the higher wages paid to Australian seamen. Selborne, however, was well aware of the agitation in Australia for a local navy. He realized that if greater subsidies were to be obtained and the establishment of an Australian navy

"Detailed Proposals Relative to Australia and New Zealand", June 1902, Minutes Colonial Conference 1902, Appendix IV, pp. 223-224.

Admiralty to Beaumont, 6 November 1900, P.R.O., Adm 1/7611.
discouraged, provision had to be made for more actively involving Australians in their naval defence. In setting down his feelings about a new naval agreement in May 1902 Selborne had cited the failure of the 1887 agreement to draw Australians and New Zealanders toward the sea as its second major defect after the restriction of the ships to Australian waters. "To my mind", he told the Australian and New Zealand prime ministers at the colonial conference, "there is no fault greater in it [the 1887 agreement] than this, that the relations of the Australasian Governments to the Imperial are simply that of the man who pays to the man who supplies .... It does not give our New Zealand and Australian fellow-countrymen the sense of personal interest, of personal possession, in the British Navy." 

A sense of personal interest in the British navy, however, came with a price tag. The Admiralty were not prepared to subsidize Australian participation. Each locally manned cruiser would cost the Commonwealth an additional £26,000 per annum owing to the higher wages paid to Australian seamen while it was established that a local naval reserve of 1,500 men using two Katoomba

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Selborne memorandum, 20 May 1902, P.R.O., Adm 1/7611.

Minutes Colonial Conference 1902, p. 21.
cruisers as drill ships would cost a further £100,000 per annum. Furthermore there was no question of Australian manned ships being retained in local waters in wartime. "This squadron", Selborne made clear, "must be available to fight the opponents, the attackers of the Empire in whatever part of the Eastern seas their ships are to be found."

Selborne's proposals left Australian prime minister Edmund Barton in a difficult position. Cabling him from Melbourne, Barton's deputy Alfred Deakin warned that even the minimum subsidy requested by the Admiralty, £304,515 for an upgraded cruiser squadron without any provision for Australian involvement, was "very far beyond" the present means of the Commonwealth and unlikely to be acceptable to parliament. On the other hand Barton knew that an agreement which made no provision for training Australian seamen and which relaxed the 1887 restrictions on the movement of ships subsidized by the Commonwealth would be immensely unpopular in Australia.

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84 "Detailed Proposals Relative to Australia and New Zealand", op. cit.
85 Minutes Colonial Conference 1902, p. 21.
86 Deakin to Barton, 4 July 1902, A.A.O.(C), CP103/12/B5.
Barton set about negotiating an arrangement which met as many of the contending interests in Australia as possible. He explained the difficulty of the Commonwealth's financial position. The Australian government, like that of Canada, was required to undertake expensive public works programmes which should be regarded as benefiting the whole empire. Moreover the Commonwealth's finances were limited by section 87 of the constitution.  

Barton explained that he had already been forced to rule out the development of an Australian navy because, "however strong public feeling may be in that direction, and there are some indications of support for such a proposal, I should find a very great difficulty in finding the money for the purpose."  

While emphasizing the difficulty of the Commonwealth's financial position Barton also rejected the Admiralty's claim to a completely free hand in the disposition of their ships. "In Australia", he explained, "the notion of service outside [Australian waters] does not happen at the time to be very popular." Australians feared that in a war the Admiralty would withdraw the ships leaving Australia's

—Minutes Colonial Conference 1902, pp. 29-30.


—Ibid, p. 31.
ports and coastal trade exposed to attack. An agreement which did not include limitations on the operation of the ships, Barton warned echoing Deakin's advice, was likely to be rejected by the Commonwealth parliament.**

In a series of private discussions, however, the Admiralty made it clear that they would not accept the limitation of their ships to Australian waters.*** Nevertheless an arrangement was negotiated which took into account some of the financial and political difficulties of which Barton had spoken. The Admiralty agreed to base one first-class, two second-class and four third-class cruisers and four sloops on the Australia Station. One third-class cruiser was to be maintained in reserve and the other three were to be only partly manned, being used as drill ships for a Royal Navy Reserve of twenty-five officers and 700 men. In return Australia would pay an annual subsidy of £200,000 and New Zealand £40,000. This represented approximately half the annual maintenance cost of the squadron plus a five per cent depreciation allowance on the prime cost of the ships. One cruiser and one drill ship were to be stationed in New Zealand.**** In respect to the operations of the squadron the Admiralty agreed

** Ibid.


to the restrictions they had previously established as their minimum requirement. While the force was to be based on the Australia Station its area of operations was to include the China and East Indies Stations "where the Admiralty believe they can most effectively act against hostile vessels which threaten the trade and interests of Australia and New Zealand." The agreement was to last for ten years.

Writing to Richard Jebb, the contemporary student of imperial relations, after the conference, Alfred Deakin claimed that "Barton's native dilatoriness and his position in Parliament combined to make us less effective in London." Deakin had hoped the groundwork for an Australian navy could have been laid at the conference. Later writers have also seen Barton as unsuited to the high-pressure negotiations of the colonial conference. "Barton", writes Donald Gordon, "was of quiet temperament, unlikely to take a strong lead in such a gathering. His was the judicial disposition, and he was happier in his eventual post on the bench of the High Court of Australia." More
recently Australian historians have argued that Barton, far from being pressured into accepting an unsatisfactory agreement, sympathized with the Admiralty's case for a single, centrally-controlled navy. "Despite differences in detail", Richard Norris claims, "Barton and Forrest got much of what they wanted .... In 1902 Selborne and the Admiralty were preaching to the converted." 97

While Norris cites some earlier public statements by Barton to support his assertion that the prime minister was sympathetic to the Admiralty's claim to unfettered strategic control over their ships, 98 there is no evidence from the minutes of the conference to support this. On the contrary Barton fought tenaciously for the continuation of the 1887 restrictions in a new agreement. An astute politician, Barton appreciated that an agreement which gave complete power to the Admiralty would be bitterly criticized in Australia. He pressed for the retention of the 1887 limitations at the public sessions of the conference and it is apparent from comments by Lord Selborne that he pressed for continued limitations in the private discussions as


98 Norris, op. cit., p. 133.
Barton also supported a move by New Zealand prime minister Richard Seddon to have the ships limited to local waters in peacetime but free to operate in the larger area in time of war. This proposal was rejected by Selborne who claimed that it would lead to confusion in the minds of the general public. A more likely reason for his opposition to the idea was his knowledge of the secret provisions of the Anglo-Japanese Alliance. Selborne did, however, accept at Barton's behest an insertion into the agreement stating that the specified force shall not be the only force used in Australian waters should the need arise. The Admiralty were happy to agree to this as it did not impinge on their strategic control. Barton was thinking ahead to how he might defend the agreement in Australia. Such an insertion, he explained, "would show not only that the Australian Squadron might be called away to the defence of the Empire elsewhere, but that the other two squadrons in the same seas might be equally called to assist them." The provisions of the 1887 agreement were relaxed in 1902 not because Barton was sympathetic toward the Admiralty's arguments but because the Admiralty would not, indeed could not.

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99 Minutes Colonial Conference 1902, p. 173.
accept the continued limitation of their ships to Australian waters. Knowing the parameters the Admiralty had set for a new naval agreement with Australia it is unlikely another negotiator could have achieved a better outcome for the Commonwealth than Barton.

While the Admiralty's attitude at the 1902 colonial conference was dressed in Mahanite ideology their objectives had as much to do with pragmatic political concerns as they did with strictly naval requirements. By 1902 changed strategic and diplomatic conditions meant that the Admiralty could no longer agree to the limitation of vessels to Australian waters as they had in 1887 in return for colonial subsidies and an assurance from the colonial governments that they would not construct ocean-going warships nor operate their harbour defence craft outside of their territorial waters. However, though the Admiralty's flexibility had decreased, the original aims of the 1887 agreement remained as relevant in 1902 as they had been fifteen years earlier. Unable to make the concessions to Australia and New Zealand they had made in 1887 and unprepared to reveal their underlying political and strategic considerations to the colonial governments the Admiralty had to depend upon the forceful
presentation of 'blue water' theory to obtain their objectives.

The 1902 naval agreement, though not ideal from the Admiralty's point of view, nevertheless did satisfy their minimum requirements. The Australian subsidy had been increased, albeit by less than they had hoped for, the Commonwealth had been dissuaded from establishing its own coastal naval force and, most important of all, the ships of the Australian Squadron were free to be concentrated in China waters in accordance with the secret provisions of the Anglo-Japanese Alliance. In a memorandum written after the agreement had been reached but included in the published papers of the conference Lord Selborne expressed satisfaction with the negotiations. Complimenting the colonial premiers on the "satisfactory result" of the conference he singled out the growing "appreciation throughout the Empire of the peculiar characteristics of Naval warfare, and of the fact that those local considerations which find their natural place in military organizations are inapplicable to Naval organization." Especial praise, however, was reserved for Cape Colony and Natal which "have made their offer unfettered by any conditions, a mark of confidence and of appreciation of the Naval problem of which the Board of Admiralty are deeply

Writing privately to Admiral Beaumont two weeks later Selborne described the new agreement as "a real advance" but added that he would have allowed the agreement to lapse if Australia had not accepted an expanded operational area for the ships. "I have made no secret of my opinion in this matter to any of the [colonial] ministers concerned", he told the admiral.\footnote{Selborne to Beaumont, 21 August 1902, P.R.O., Adm 1/7611.}

Despite Selborne's tough stand over the need to concentrate the Australian Squadron in China waters the 1902 naval agreement committed the Admiralty to maintaining a fixed number of vessels on the Australia Station and linked this with Britain's overall naval presence in the Far East. The principle that subsidies entitled the colonies to a measure of control over particular vessels had not been overturned. Nor had any allowance been made for a further deterioration in Britain's national position. Though to last ten years, within four years the Admiralty was regretting the agreement and looking to find a way of escaping its obligations. In this respect the naval agreement vindicates Aaron Friedberg's assertion that, contrary
to much recent scholarship, Britain's leaders in the two decades before the First World War were less than uniformly farsighted and that, therefore, the policies they pursued fell far short of lasting success. Moreover, by using strategic arguments to pursue what were largely political objectives the Admiralty had created a credibility gap which was to be exploited by the proponents of a local navy in Australia. As Edmund Barton had prophesied the agreement was not well received in Australia and the Admiralty was soon embroiled in a series of bitter exchanges with the Commonwealth.

THE AUSTRALIA STATION
UNDER THE 1902 NAVAL AGREEMENT

SOUTHERN BOUNDARY IS
THE ANTARCTIC CIRCLE

COMPiled AND DRAWn BY
L.J. HENDERSON
CHAPTER FOUR

PARSIMONY, REDISTRIBUTION AND A CHANGE OF ATTITUDE TO COLONIAL NAVIES, 1904-1908

Writing to Joseph Chamberlain in February 1903 Lord Tennyson, who had succeeded Hopetoun as Governor General of Australia, declared:

Most of the politicians of the Commonwealth have an idea that the British official sentiment is that the Colonies should practically surrender their control over both land and sea forces to Great Britain and this they will resist to the utmost of their power.¹

Tennyson was referring to the mounting opposition in Australia to the 1902 naval agreement. Barton's fear that the new naval agreement would be unpopular in Australia had proved well-founded. From 1903 to 1907 the Admiralty and Colonial Office were pressed by successive Australian governments for a modification to the naval agreement to allow for local maritime defence and greater direct participation by Australians in their naval defence. In 1907 these objectives were

¹ Tennyson to Chamberlain, 25 February 1903, Tennyson Papers, N.L.A., Ms 479 S3.
achieved. But the Admiralty's change of heart on local navies was only due in small degree to Australian pressure. By 1907 Britain's deteriorating international position had undermined the agreement from the Admiralty's point of view. With pressing financial and strategic reasons of their own for securing the early termination of the 1902 agreement the Admiralty were willing to permit the establishment of a local Australian navy as a trade off for Australia cancelling the agreement and accepting a reduction in Britain's naval presence in Australian waters.

There were two main objections to the 1902 naval agreement in Australia. The first was the failure of the agreement to make provision for the establishment of a distinctively Australian naval force. The proponents of an Australian navy declared the agreement a sell-out in the face of Admiralty pressure. Complete dependence upon hired naval forces from Britain, they claimed, was unworthy of the newly created Commonwealth, while the agreement did nothing to promote national self-reliance. The response of the Melbourne Age was typical. "To tell Australians as Sir Edmund Barton does", the Age declared in November 1902, "that it is an act of wisdom to emasculate Australian sentiment and tie down this Commonwealth in its Defence policy to follow helplessly in the leading
strings of the British Admiralty is repugnant at once to the common sense, to the teachings of history, and to the national self-respect."\(^2\)

The second objection concerned the extension of the area to which the squadron was restricted. From Barton's point of view this was the more serious of the objections for, while most Australians accepted his arguments that the Commonwealth could not yet afford a navy of its own, many were fearful that in a war the ships would be removed from Australian waters leaving their ports and coastal trade unprotected. Newspapers such as the *Sydney Morning Herald*, which were otherwise favourable to the agreement, expressed reservations about Australia's reduced control over the ships.\(^3\) George Reid, who had been forthright in defending the limitations on the operation of the Auxiliary Squadron at the 1897 colonial conference, publicly denounced the new agreement for its weakening of Australian control.\(^4\)

The advocates of an Australian navy seized upon the fear that Australia might be left without any naval defence in a war. They did not accept the Admiralty's

\(^2\) *Melbourne Age*, 17 November 1902.

\(^3\) *Sydney Morning Herald*, 13 October 1902.

\(^4\) *Sydney Morning Herald*, 3 December 1902 and 14 January 1903.
arguments that there was no place for local naval
defence in the colonies and they viewed with deep
scepticism Lord Selborne's claim that there was no
allocation of forces for the defence of British ports
or coastal trade. "Does anyone suppose", asked West
Australian senator A.P. Matheson in a paper to the
Royal Colonial Institute,

that a Government would be tolerated for
an instant in Great Britain that avowed
its intention to send the entire fleet on
an offensive expedition against a foreign
port, leaving the British coast and
commerce in the Channel unprotected except
by fortifications? And if local naval
defence is desirable at Home and for the
Mother Country, why should it be condemned
when Australia is concerned? 6

As we have seen Matheson's suspicion of Admiralty
double standards was well-founded. Not able to explain
the political motives behind their objectives at the
colonial conference the Admiralty had been forced to
rely upon strategic arguments to support their
position. In doing so, however, the Admiralty had
created a credibility gap which the proponents of an
Australian navy were quick to exploit in their efforts
to discredit the naval agreement.

By the beginning of 1903 opposition to the naval
agreement in Australia had become so strident that its

6 A.P. Matheson, "Australia and Naval Defence",
Proceedings of the Royal Colonial Institute, Vol.
ratification by parliament appeared to be in doubt. The Commonwealth Labor Conference meeting in Sydney in December 1902 had resolved that money for naval defence should be spent on establishing a local force and the Federal Labor Party Caucus subsequently decided to oppose the agreement. 6 Joseph Chamberlain, perturbed by reports that the agreement might not gain parliamentary approval, told Barton:

I shall be bitterly disappointed if anything interferes to prevent the acceptance by the Federal Parliament of the arrangements favoured by you in regard to the naval contributions at our last conference. The contributions then suggested represent a principle the negation of which would be disastrous. 7

Chamberlain saw the colonies as a source of men and money to bolster Britain's flagging power. He was hopeful that the colonies might yet be persuaded to make substantial contributions to the cost of Britain's expensive defence forces. In this regard the naval agreement was an important precedent and its abandonment would be a major blow to his plans.


7 Chamberlain to Barton, 21 March 1903, Barton Papers, N.L.A., Ms 51 S1/587.
In an effort to appease some of the critics of the agreement Barton sought a revision of its terms. He hoped the possibility of its rejection by parliament would make the Admiralty more amenable to a local maritime defence force for Australia. At Barton's request Tennyson wrote to Chamberlain explaining that:

The passage of the Naval Agreement is difficult and doubtful unless something is done to satisfy the strong feeling for local defence and to allay the fear .... that when the Australian Squadron leaves these waters, there will be no local defence left to deal with stray vessels of the enemy.*

Barton proposed that six locally officered and manned torpedo boat destroyers, one for each capital city, be provided by Britain in lieu of a third-class cruiser. Such an arrangement would not only help alleviate Australian fears at being left totally unprotected should the squadron be withdrawn but would also provide a role for the personnel of the Commonwealth Naval Force. These former officers and men of the colonial navies had in some cases already been left without ships on which to train and they constituted a particularly vocal section of the naval lobby opposed to the new agreement. Destroyers, Tennyson argued, were suited to the defence of the Australian coast,

*Tennyson to Chamberlain, 24 April 1903, P.R.O., CO 418/26/15044.
especially along the Great Barrier Reef, and he hinted that George Reid, leader of the Free Trade group in the federal parliament, was willing to support the agreement if such a concession to local defence were made.°

Barton received support for his proposal from an unexpected quarter. Admiral Sir Arthur Fanshawe, who had replaced Beaumont as Commander-in-Chief Australia Station, wrote to the Admiralty on 27 April urging their acceptance of the prime minister's plan. Destroyers, Fanshawe claimed, were "the recognized weapons for the purpose of defence" and would be "of assistance in repelling a raid by an enemy's vessels."° Fanshawe argued that the great differences in the rates of pay of British and Australian seamen would pose problems for the establishment of a permanent force of Australians aboard imperial ships. The lowest rate of pay in Australia was three times that of seaman ratings in the Royal Navy and twice that of artisan ratings. Moreover the destroyers, Fanshawe claimed, would "promote public interest in maritime affairs in the most popular form."°°

° Ibid. 10 Fanshawe to Admiralty, 27 April 1903, P.R.O., Adm 1/7671. 11 Ibid.
Fanshawe's support for Barton's proposal included one proviso. Barton had hoped that the Admiralty would provide the destroyers in the place of a third-class cruiser. Fanshawe, however, argued that they should be completely separate from the naval agreement. "There is only one form in which I can understand the request for destroyers", he wrote to Sir John Forrest, ".... namely that they should be asked to supersede the obsolete local Defence Ships .... and be maintained, officered and manned entirely by the Commonwealth." The six destroyers, Fanshawe claimed, would cost nearly £30,000 a year more to maintain than the cruiser and, by virtue of their design, could not operate outside of Australian waters. "They could hardly be called a local defence force belonging to Australia", he told Forrest, "when not paid for by the Commonwealth and it is surely unjust to ask the already burdened taxpayer at home to pay for them." 

Fanshawe's support for the destroyer proposal appears to have been based upon concern for the smooth running of his squadron following the decision at the colonial conference to recruit Australian seamen for service aboard British vessels on the Australia Station. As Commander-in-Chief Fanshawe feared that the

12. Fanshawe to Forrest, 29 April 1903, R.A.N.A., 185i.
13. Ibid.
employment of Australian seamen aboard his ships at substantially higher rates of pay than their British counterparts would cause jealousy and divisiveness. The Australian Station was already notorious for its high rate of desertions, due largely to the better wages seamen could earn ashore. Fanshawe's correspondence indicates that he also had a good understanding of the Barton government's political difficulties over the new agreement, in particular the outspoken opposition of the officers and men of the former colonial navies who had a vested interest in Australia retaining some form of local naval defence. Fanshawe saw the establishment of an Australian destroyer force as a way of overcoming both problems. The higher paid Australian seamen would be kept apart from the British seamen aboard the Royal Navy squadron and a useful role would be created for the former colonial naval personnel.

Torpedo boat destroyers, or simply destroyers as they were to become known, had been developed in the early 1890s as a counter to the new generation of torpedo boats equipped with the recently invented self-propelled torpedo. From their inception, however, the destroyers themselves had been armed with torpedoes and

14 Fanshawe to Admiralty, 27 April 1903, P.R.O., Adm 1/7671.

had the capability to launch attacks against enemy warships. It was in this role of sea-going torpedo attack craft that destroyers were to specialize. Fanshawe's claim that destroyers were "the recognized and proper weapons for the defence of harbours and coasts"\(^{16}\), however, was not what the Admiralty wanted to hear from their highest ranking Australian official.

Wanting to discourage the development of colonial navies Lord Selborne had claimed at the colonial conference that there was no place for local maritime defence. It was not surprising, therefore, that the Admiralty dismissed the destroyer proposal out of hand. Ignoring Admiral Fanshawe's support for the idea the Admiralty denounced the use of destroyers for Australian defence. "In the first place", the Admiralty explained, though they were already experimenting with destroyers as sea-going attack craft, "the sole object of the torpedo boat destroyer is as [their] name implies [the] destruction of torpedo boats. As existing torpedo boat bases .... are some 4,000 miles away it is impossible that any such boats should appear off Australian ports in time of war."\(^{17}\) Condescendingly the

\(^{16}\) Fanshawe to Forrest, 29 April 1903, R.A.N.A., 185i.

\(^{17}\) Admiralty memorandum in Chamberlain to Tennyson, 19 May 1903, A.A.O.(C), CP78/14, Vol. I, p. 661.
Admiralty suggested that Barton had confused destroyers with torpedo boats. Having then attempted to divert the discussion to an entirely different type of vessel the Admiralty then proceeded to explain why torpedo boats could not provide an adequate defence for ports. "Assuming one boat were assigned to each capital port", they stated,

[and a] hostile cruiser had evaded British squadrons and appeared off it [the] torpedo boat could do absolutely nothing by daylight and would only have opportunity by night in the improbable event of all conditions being favourable. .... Moreover this special form of attack being one in which safety as well as success largely lies in concentration of numbers it is clear that [the] opposition of one torpedo boat to one cruiser cannot be considered [an] effective form of offence.  

The Admiralty reminded Barton of his commitment to the agreement at the colonial conference. They stressed also that the agreement was tripartite. New Zealand was involved and prepared to ratify the arrangement. "H.M.'s Government", they explained, "have no information leading them to suppose [the] New Zealand Government would favour modification [of the arrangement] such as now suggested." Having secured

18. Ibid.
19. Ibid.
an agreement which met most of their objectives the British authorities were unwilling to make concessions. "If the Colonial Parliament should refuse to ratify the Naval Agreement", C.P. Lucas, Under Secretary of State for Colonies, minuted, "in Mr. Chamberlain's opinion it would be better to reduce the Australian Squadron to the proportions absolutely necessary for Imperial purposes in connection with the Pacific islands and to refuse to accept as a substitute for the moderate contribution which is asked, a proposal that appears devoid of any substantial advantages." Barton was urged to press parliament to ratify the agreement unchanged. "I hope that when Parliament assembles", Chamberlain concluded, "your Ministers will find that it is prepared to accept the agreement as it stands." 

Barton succeeded in having the naval agreement ratified by parliament. After a long and at times bitter debate the agreement was passed thirty-eight votes to twenty-four in the House of Representatives and fifteen votes to nine in the Senate.

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20 Minute by C.P. Lucas, Colonial Office to Admiralty, 13 May 1903, P.R.O., Adm 1/7671.


In introducing the Naval Agreement Bill Barton had elaborated the arguments that had been set out in the "Memorandum on Sea Power and the Principles Involved in it". He had stressed the importance of fleet concentration and the necessity for there to be a single all-powerful authority to effect concentration in wartime. "Any separation of responsibility, any diminution of the power of that single authority" he had told the parliament, "... might have the most disastrous consequences." The comfortable majorities the agreement eventually received, however, were not an indication of general support for the principle of a single, centrally-controlled imperial navy. Only eight of the forty-eight speakers on the Naval Agreement Bill in the House of Representatives had favoured it without reservation. The remainder had been either completely opposed to the agreement or had seen it as a temporary expedient until Australia was able to establish a navy of its own.

The key factor in the ratification of the agreement had been the Commonwealth's strained financial circumstances. Barton had claimed that an Australian navy would cost £2,500,000 to build and a further £1,000,000 a year to maintain. In contrast the new

agreement would provide naval protection for Australia at only 15s 1/2d per head, a mere 1/2d more than they had paid under the 1887 agreement and a great deal less than British taxpayers paid for naval defence. Australia could not afford to embark on a naval programme of its own in 1903 and the naval agreement was ratified largely on this understanding.

Following the ratification of the 1887 naval agreement by the various colonial legislatures interest in naval development in Australia had waned. While the Admiralty had from time to time been troubled by colonial requests for more frequent visits by imperial warships the agreement itself had been popular. Indeed at the 1897 colonial conference the colonial premiers had vigorously opposed suggestions that the agreement be modified. This was not the case with the 1902 agreement. Successive Australian governments sought to modify the agreement to allow for the establishment of a local naval force.

There were a number of reasons for this. Australian navalists, Leon Atkinson has noted, in attacking the naval agreement in the parliament had begun to clarify their aims - a naval force limited in operations to the

Ibid, pp. 1778-1792.
Australian coast to replace the Auxiliary Squadron - and were able to bring consistent pressure to bear on Australian politicians. Alfred Deakin, prime minister for much of the period 1903 to 1910, was sympathetic to the navalist cause, while the Australian Labor Party had made the establishment of a local navy part of their political platform. Finally the Japanese victory over the Russian fleet at Tsushima in 1905 created a potentially hostile naval power in the Pacific and fuelled deep-seated Australian fears of Asian aggression.

The first attempt to gain Admiralty support for a local naval force came in April 1904 with the formation of Australia's first Labor government. The Labor Party had opposed the naval agreement in the parliament and during the 1903 election had campaigned for a "purely Australian navy." Andrew Dawson, the Labor Minister for Defence, asked the Admiralty to lend Australia two or three destroyers. Unlike Barton's proposal to replace one of the subsidized cruisers with a destroyer squadron, the destroyers Dawson requested were to be separate from the naval agreement and along the lines recommended by Admiral Fanshawe. They were to be manned

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26 Atkinson, op. cit., p. 213.
27 Sydney Morning Herald, 13 November 1903.
and maintained entirely by Australia and the Commonwealth would pay the interest on the cost of their construction and contribute toward a sinking fund. Dawson, however, had no more success than Barton. The Admiralty refused to provide the destroyers, repeating the claim that such vessels were unsuited for Australian defence and adding, in the hope that this would end the matter, that there were in any case no destroyers available for loan.

The return of Alfred Deakin as prime minister on 7 July 1905 heralded a new and more determined bid to establish an Australian naval force. In an interview in the Melbourne Herald on 12 June 1905 Deakin had expressed concern at Australia's existing defence arrangements in the light of changing international circumstances. "The march of events during the last few years", he claimed, "has revealed the striking growth of three new naval powers - the United States, Germany and Japan. The condition of their fleets, and the condition of those fleets which were previously in

28 Lord Northcote, Governor General, to Alfred Lyttleton, Colonial Secretary, 22 June 1904, P.R.O., CO418/31/2221.

29 Admiralty memorandum, 8 August 1904, C.A.O.(M), B168 1902/245.
existence, oblige us to review the whole situation in
the light of the possibilities now presented."³⁰

For Deakin the most important changes affecting
Australia resulted from the Japanese victory at
Tsushima. "What we have to estimate for the future", he
stated, is that instead of two fleets in the China Seas
belonging to separate - even opposing - powers, we
shall now have one fleet, only it will probably be as
strong as the two former fleets, and will operate under
one flag."³¹ Deakin emphasized the consequences of this
situation for Australia. "The Pacific Ocean, as it
covers two-fifths of the surface of the globe itself",
he explained, "offers the amplest field for future
naval developments. The most efficiently equipped,
supported, and protected naval bases are those to the
north of China - those in Japan and now at Port
Arthur."³² Japan was singled out as the nation posing
the greatest menace to Australia. "Japan", Deakin
continued, "is the nearest of all the great foreign
naval nations to Australia. Japan at her headquarters
is, so to speak, next door, while the Mother Country is

³⁸ Melbourne Herald, 12 June 1905. The interview
was subsequently printed as C.P.P., 1905 session, Vol.
II, No. 31, "The Defence of Australia. (Statement by
the Honorable Alfred Deakin, M.P.) - Return to Order".

³¹ Ibid.

³² Ibid.
many streets away and connected by long lines of communications."

To Deakin's mind existing Australian defences were "inadequate in numbers, imperfectly supplied with war material and exceptionally weak on the naval side." The British squadron, he argued, was not by itself sufficient defence for Australia. Though "our best protection" it was part of a fleet head-quartered in the China Seas and consequently "may have to perform its duties at a great distance from the Commonwealth." Australia, Deakin explained, had a coastline from 7,000 to 8,000 miles in length and it was "unreasonable to expect" that the squadron could protect more than a portion of this. Moreover, Deakin argued, in the event of the squadron being called away to face an enemy fleet, Australia's coastal shipping "must be open to attack by any cruiser or cruisers operating independently of the hostile squadrons."

While Deakin did not propose that Australia acquire ocean-going warships he did recommend Australia obtain submarines, torpedo boats and destroyers for local defence. The necessity for some form of local naval

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33. Ibid.
34. Ibid.
35. Ibid.
defence appeared to newspapers such as the Melbourne Age and the Sydney Morning Herald to have been reinforced by the events of the Russo-Japanese War. "Long after the main Russian fleet was 'bottled up' in Port Arthur and Japan had complete control of the sea", the Age proclaimed, "the Japanese nation lost as much as £150,000 a day from the trade paralysis caused in the north islands by the sallies of Russian raiding cruisers from Vladivostock". To the Age this was "the very least part of the evil that would happen to us if we were visited by raiding war ships". Australian trade, they warned, would be "completely dislocated and palsied" while "we should also have to fear bombardment from a safe distance of many of our ports." To the Sydney Morning Herald the "illustration afforded by the Port Arthur incident" also made the need for coastal defence more apparent. "Coastal defence", they argued, "cannot be provided for in a day .... It is clearly better to weigh the question now, while we have time than to be driven to act in a hurry under the influence of a scare."

In August 1905 Deakin seized upon comments by Admiral Fanshawe as a pretext for requesting a revision of the naval agreement. Fanshawe had taken up the

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36. Melbourne Age, 17 October 1905.
37. Ibid.
38. Sydney Morning Herald, 15 February 1905.
Australia command in January 1903 and, with a new naval agreement recently concluded, had not received the detailed instructions his predecessor had been given on being sent to Australia. As a result the hapless Fanshawe was not aware of the subtleties of the Admiralty's Australian policy. He had already earned the disapproval of his superiors at the Admiralty over his support for Barton's destroyer proposal. In May 1905 he further embarrassed the Admiralty by publicly claiming that Australian cities were "comparatively naked to an invader who might risk the enterprise of capturing them." Hoping to encourage a greater subsidy from Australia, Fanshawe had used an Empire Day speech to argue that, as only the British fleet stood between Australia and this threat, the Commonwealth should at the very least double the "beggarly" £200,000 a year promised under the naval agreement. Did the Lords of the Admiralty, Deakin inquired, share Admiral Fanshawe's apparent dissatisfaction with the 1902 agreement?

Having established a pretext for changing the naval agreement only two years after its inception, Deakin

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[40] Ibid.
proceeded to claim that it "is not, and never has been, popular in the Commonwealth." The agreement, Deakin argued, had been "approved only in default of a better means of indicating our acceptance of Imperial responsibilities." Furthermore, apart from the provision for the training of a handful of Australian seamen in the squadron, there was "no visible evidence of our participation in the Naval Force to which we contribute .... there is so far nothing naval that can be termed Australian, or even Australasian. No Commonwealth patriotism is aroused while we merely supply funds that disappear in the general expenditure of the Admiralty. The Imperial sentiment languishes too, since the squadron is rarely seen in most of our ports, and then only by a small proportion of the population." According to Deakin "what is really required is that any defences, if they are to be appreciated as Australian, must be distinctively of that character."

Deakin put forward two proposals for a new arrangement. "The Admiralty", he asserted, "probably desires naval and coaling stations in Australia other than those already or likely to be hereafter established at such of our seaports as may be defended by local works." These the Commonwealth could provide

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42 Ibid.
43 Ibid.
as a contribution to imperial defence. Appraising that such works "might possibly be criticized as devices for the spending of money upon our own shores, or for local benefit only", Deakin also suggested that the money currently provided under the naval agreement be used to subsidize a number of swift steamers running between Australia and England which could be converted into armed merchant cruisers in time of war. "There can be no doubt", Deakin claimed, "but that an agreement of this character would be immensely more popular than that which forms the schedule to the Act of 1903. The ships would be always in evidence, their value would be felt and their purpose a matter of pride. The Naval Forces of the Empire would be at least as much strengthened as by the existing arrangement, quite apart from all the commercial and other advantages of the present proposal." 45

Despite Deakin's claims the proposals had clearly been structured for Australia's advantage. The Admiralty had no wish for further bases in Australia and Deakin had no cause to believe that they had. The whole cost of the Australian squadron would once again be borne by British taxpayers and Australia would be making no contribution to imperial naval forces. As for the subsidized merchant cruiser plan, Australia was

44 Ibid.
45 Ibid.
already paying £120,000 a year to the Orient Company for a fortnightly mail service under an agreement that was due to expire in 1908. Any new naval arrangement providing a similar service in lieu of the existing naval subsidy would therefore more than likely be a net saving to the Commonwealth.

The financial benefits of Deakin's proposals for Australia did not go unnoticed in London. "Australia", Under Secretary of State for Colonies, Sir Montagu Ommanney, minuted, "would get all she now has and a subsidized mail and passenger service in addition." At a time when Britain was experiencing a financial crisis and was urging her colonies to bear a larger part of the burden of imperial defence Deakin's proposals were seen as self-serving and ungrateful. Ommanney's assistant, Bertram Cox, slammed Australia's lack of imperial sentiment. "For the Empire as a whole", he claimed, "... [Australians] care little when it comes to paying for its expenses & the amount they contribute is but a drop in the ocean." To Cox, Deakin's complaints were an excellent excuse for scrapping the agreement altogether. The size of the Australian Squadron, Cox argued, was "ridiculous" and

**Minute by Sir Montagu Ommanney, Under Secretary of State for Colonies, P.R.O., CO 418/37/32514.**

**Minute by Bertram Cox, Assistant Under Secretary of State for Colonies, P.R.O., CO 418/37/32514.**
"contrary to naval strategic principles and common sense." The agreement should be cancelled and the squadron reduced, the few remaining ships presumably being maintained at Britain's expense.

Bertram Cox's suggestion that Deakin's criticisms of the 1902 agreement should be used by Britain as an excuse for scrapping the agreement and reducing the number of warships stationed in Australia was related to the dramatic change in the naval situation in the Far East following Tsushima. With Russia no longer a naval power in the Far East Britain did not need to maintain the same level of naval forces in the Pacific. This was recognized in a revised alliance with Japan, concluded on 12 August 1905, which dropped the secret naval provisions of the first alliance. Soon afterwards all five British battleships based in China were withdrawn to reinforce the fleet in home waters. "The annihilation of the [Russian] Baltic Fleet by Japan, single-handed", the Admiralty explained in justification of this decision, "plainly proves that the Anglo-Japanese naval strength in the Far East was, even before the 27 May, amply sufficient [while] .... under existing circumstances, the Anglo-Japanese fleet


*Nish, op. cit., pp. 323-358.*
in the Far East is unnecessarily and preposterously strong."

The Australian Squadron was included in this assessment, it being regarded as part of Britain's Far Eastern forces when the relative balance of naval strength in the Far East was calculated.\(^5\)

It might be expected that the Admiralty would have enthusiastically embraced Cox's suggestion. As the memorandum quoted above indicates the Admiralty believed Britain's naval forces in the Pacific following Tsushima were far stronger than was necessary. The Russian defeat cleared the way for a further major rationalization of the Royal Navy along the lines initiated by Lord Selborne four years before. The naval agreement with Australia and New Zealand stood in the way of this process. While the Admiralty were free to reduce their China based forces they were committed to maintaining a fixed squadron on the Australia Station. The Admiralty, however, did not adopt Cox's proposal. On the contrary, in their official response, not despatched until June 1906 nine months after Deakin's original correspondence and well after changes to their other naval forces in the Pacific, the Admiralty rejected all suggestions that


\(^5\)Ibid.
the naval agreement should be either altered or cancelled. They desired to "dissociate themselves absolutely from any expression of dissatisfaction with the terms of the Agreement."\textsuperscript{52} Deakin's proposal to replace the Australian contribution to the Royal Navy with a subsidized merchant cruiser scheme was also dismissed. "Experience of this method of supplementing the war strength of the Fleet", the Admiralty stated, "has proved that it is not only of extremely limited efficacy, but costly in its operation."\textsuperscript{53}

Within a year of the Admiralty expressing total satisfaction with the naval agreement they were to desire its termination. Indeed in August 1906, only two months after coming out in support of the agreement, the Admiralty informed the Commonwealth government that:

\begin{quote}
It may at once be admitted that if the Board of Admiralty were free to determine on purely strategic grounds the class and number of ships on the Australian Station, as they are in every other quarter of the globe, they would not maintain the Squadron at its present strength, but set free the ships and men for service in waters where they are more required.\textsuperscript{54}
\end{quote}

\textsuperscript{52} Lord Elgin, Secretary of State for Colonies, to Northcote, 8 June 1906, \textit{C.P.P.}, 1906 session, Vol. II, No. 98, \textit{op. cit.}, p. 3.

\textsuperscript{53} \textit{Ibid.}

\textsuperscript{54} Admiralty memorandum in Elgin to Northcote, 26 August 1906, A.A.O.(C), CP290/15/B6.
Why then did the Admiralty dismiss Colonial Office recommendations that the naval agreement be terminated in 1906? And why had this attitude changed so dramatically by 1907? The Admiralty Papers, contain a wealth of material relating to Australian naval defence in this period, much of it only superficially examined. It is to this material and to events within the Admiralty that we must turn to seek answers to these questions.

As was mentioned above the Japanese victory at Tsushima changed overnight the naval situation in the Far East and with it the strategic and political requirements upon which the 1902 agreement had been based. The Admiralty's jubilation over the Japanese victory is best illustrated by their own words. "The crippling of Russia's naval strength", an Admiralty memorandum announced in June 1905, "which in conjunction with that of her ally [France] had been for years a potential threat to us, has been a material advantage to this country, and Japan's success in maintaining the principle of freedom of trade in one of the most promising markets of the world, has, by safeguarding

In particular Adm 116/1241B.
our commercial interests, been an unmixed piece of good fortune for Great Britain."\textsuperscript{56}

The Japanese victory could not have come at a more propitious time for Britain as it allowed the fleet redistribution which had been foreshadowed by the 1902 Anglo-Japanese Alliance to be put fully into effect. The need for fleet reorganization had become more urgent as the wider implications of German naval development came to be appreciated. Germany's expanding industrial and financial capacity combined with her limited overseas commitments meant that German naval expansion posed a grave threat to Britain's security. "The new German Navy", Lord Selborne announced on 6 December 1904, "has come into existence. It is a Navy of the most efficient type and is so fortunately circumstanced that it is able to concentrate almost the whole of its fleet at its home ports."\textsuperscript{57}

The architect of the reorganization of the Royal Navy was Admiral Sir John Fisher. Fisher had been appointed First Sea Lord in October 1904. His primary object was to improve the 'fighting efficiency' of the


\textsuperscript{57}Selborne memorandum, "Distribution and Modernization of the Fleet", 6 December 1904, P.R.O., Adm 116/942.
Economy was also a strong motivation. The naval estimates had continued to rise both in real terms and as a percentage of government expenditure and there was substantial pressure in Britain for their reduction. The desire for economy, Aaron Friedberg has shown, was a major factor contributing to the movement for defence reorganization in Britain at this time and Fisher readily appreciated the possibility of combining his desire for greater efficiency with the politicians demand for lower budgets.

Fisher looked upon the dispositions of the Royal Navy as outdated, a relic of an era when British naval mastery had been largely unchallenged. Writing in the first volume of *Naval Necessities* circulated among the Board of Admiralty soon after his appointment as First Sea Lord, Fisher stated:

> The Navy and the country have grown so accustomed to the territorial nomenclature of our distant squadrons that their connection with the sea is considerably obscured and their association with certain lands has led to the tacit belief that those particular squadrons are for the protection of the lands they frequent,

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and not generally for the destruction of the enemy's fleet wherever it may happen to be."9

A detailed account of Fisher's reforms can be found elsewhere.91 One of the most important, from Australia's point of view, was a new scheme of nucleus crews intended to improve the efficiency of the reserve fleet in Britain. To provide personnel for this scheme Fisher scrapped some 154 old cruisers and gunboats, many serving on foreign stations.92 The naval stations too were to be revised. The Pacific Station was abandoned. The South Atlantic, North American and West African stations were formed into a single, greatly expanded Cape Station. The Australia, China and East Indies stations were also to be amalgamated into a single Eastern command centred on Singapore.93

Though Admiral Fisher had the support of Lord Selborne and the Balfour government in implementing his 'rationalization' of the Royal Navy his reforms gave rise to a storm of opposition. Dubbed by Fisher the "syndicate of discontent", this opposition began to make itself felt from the middle of 1905. Its membership was broadly based and included a large

93. Ibid, pp. 40-42.
section of the navy as well as leading politicians and journalists. The policy of scrapping large numbers of cruisers and smaller vessels came in for particular criticism and Fisher was accused of undermining the traditions and capability of the Royal Navy in the interests of economy. In particular, it was claimed that the reduction in the Royal Navy's cruiser force would make it very difficult to protect Britain's maritime trade in war. Admiral Sir Reginald Custance was a leading critic from this perspective. A former Director of Naval Intelligence, Custance, it will be recalled, had prepared the "Memorandum on Sea Power and the Principles Involved in it", the Admiralty's much touted statement of strategic principles tabled at the 1902 colonial conference. While he accepted that "command of the sea can only be decided by hostile fleets meeting and fighting", Custance believed that attacks on commerce remained a serious threat and that the defence of British trade required "a large number of small ships and not a small number of large ones."


Ibid. Also Marder, The Anatomy of British Sea Power, pp. 493-494.

It was into this turmoil that Deakin's proposed revision of the naval agreement arrived in August 1905. The bitter in-fighting within the Admiralty and the wider controversy surrounding Fisher's reforms perhaps explain why the Admiralty were so dilatory in responding to Deakin's inquiries. At the beginning of 1906 the sixty-four year old Fisher was fighting to retain his position. His commission as admiral was due to expire on 25 January and he was only spared enforced retirement by being made an admiral of the fleet, the highest rank in the service and one which carried no age restriction. It was one of the last acts of the Balfour government, the Liberals under Campbell-Bannerman winning a landslide victory in the December 1905 elections.

With a new First Lord and the continuation of Fisher's reforms far from certain the Admiralty's support for the status quo in their relationship with Australia was understandable. Moreover it had been the Admiralty which had put forward the proposals which formed the basis of the naval agreement and it was based upon principles for which they had argued strongly in 1902. The agreement also filled the dual functions of deterring the development of a local navy

by Australia and encouraging contributions by the colonies to the Royal Navy. These were important considerations to the Admiralty and it is significant that in reaffirming their support for the naval agreement they singled out comments by Deakin admitting the "paramount importance of the Navy .... to Australia" and Australia's "obligations to share in the general defence of the Empire.""My Lords", the Admiralty communique explained, "are glad to find from Mr. Deakin's despatch that the paramount importance of the Navy to the whole British Empire and to Australia is not questioned, and that the moral obligation of the Commonwealth to share in the general defence of the Empire is recognized.""

There is additional evidence that the naval agreement's role in discouraging colonial warship building was a key factor behind the Admiralty's continued support for it in 1906. Late in 1905 Vice Admiral Sir Wilmot Fawkes had replaced Admiral Fanshawe as Commander-in-Chief Australia Station. Like his predecessor Fawkes soon became acquainted with the navalist lobby in Australia and with the navalist sympathies of prime minister Alfred Deakin. As a way of

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"Deakin to Northcote, 28 August 1905, op. cit.

"Admiralty memorandum in Elgin to Northcote, 8 June 1906, op. cit."
satisfying the demand for a local Australian navy in a manner which would be of value to Britain, Fawkes proposed that the Admiralty might use Australian warships to patrol the waters of the south west Pacific. This task had hitherto been a responsibility of the Royal Navy. The naval agreement, which according to Deakin was so unpopular in Australia, could be cancelled and the Admiralty left free to determine the size of the Australian Squadron on strategic grounds alone. The Admiralty, however, rejected Fawkes' suggestion out of hand. Memories of the problems with colonial navies in the early 1880s came flooding back. The international status of colonial warships was still unresolved and there remained the possibility that an Australian government might act unilaterally against the wider interests of Britain. "The whole relationship of the ships to the colonial governments and to the Imperial government", the Director of Naval Intelligence noted in regard to Fawkes' proposal, "bristles with difficulties, especially in the manner of the control of their movements amongst the [Pacific] islands."

70 Fawkes to Admiralty, 4 January 1906, P.R.O., Adm 116/1241B.

71 D.N.I. memorandum, 29 January 1906, P.R.O., Adm 116/1241B.
The Admiralty's opposition to colonial naval development was also reflected in the 1906 report on Australian defence requirements by the Committee of Imperial Defence. The C.I.D. had been established following inquiries into the early disasters of the South African War. Under the supervision of the prime minister and with its own secretariat the C.I.D. was given the role of co-ordinating the defence resources and strategic planning of Britain and the empire. The Colonial Defence Committee, which had previously served as the official conduit of advice to the colonies on defence matters, was made a sub-committee of the new organization. 72

The C.I.D report was little more than a re-capitulation of the strategic arguments against local navies which the Admiralty had offered the colonial prime ministers in 1902. It differed mainly in elaborating a specific level of threat to Australia. At worst, the C.I.D. claimed, Australia need fear attack from only three unarmoured cruisers and a landing force not exceeding a thousand men. 73 Against such a low


level of threat, it was argued, coastal fortifications and small infantry garrisons were all that was required. Local naval forces were unnecessary. "Having regard to the nature of the attack to which Australian ports are liable", the report explained, "... the benefits to be rendered to the coast defence by destroyers appear altogether incommensurate with the expenditure that would be entailed by their maintenance."\(^{74}\)

The specific reference to destroyers in the report was connected with a proposal by Captain Creswell for an Australian destroyer squadron. In 1906 Creswell, now officially Director of the Commonwealth Naval Forces, had seized the opportunity afforded by his annual report to the parliament to advance the case for a local navy. Australian trade, Creswell claimed, was particularly vulnerable to enemy raiders. The Australian Squadron was likely to be called away from Australian waters in war and isolation was no longer a protection. "With no local sea defence", he argued, "the most ordinary merchant steamer, extemporized as a cruiser, would have the whole of our coastal shipping at his command."\(^{75}\) A squadron of destroyers and torpedo


boats, Creswell claimed, was essential "for commerce protection and safety of populous centres against raiders and commerce destroyers.""

Creswell's emphasis on a commerce protection role for an Australian destroyer squadron was opportunistic. Commerce protection had been the subject of much debate in naval circles in Britain since the late nineteenth century when both France and Russia had commenced building large cruisers specifically to wage war on Britain's maritime trade. *Guerre de course* (war of pursuit), as the strategy of attacking maritime trade was known, had become a hot political issue in 1905 with the scrapping of large numbers of cruisers under Admiral Fisher's naval rationalization programme. The opponents of Fisher's policy claimed that the reduction of the Royal Navy's cruiser force would gravely expose British trade to attack at the outbreak of a war.

"Blue water" theorists dismissed concern about attacks on Britain's maritime trade. *Guerre de course*, they claimed, could never be decisive and would therefore be rejected in favour of fleet concentration. It was a view favoured by the Admiralty. "" There was


"" *See in particular Admiralty memorandum, "The Protection of Oceanic Trade in War", 31 April 1905, P.R.O., Cab 17/3.*
more involved here, however, than an academic debate about strategic philosophy. 'Blue water' arguments played a central part in explaining and justifying the rationalization and redistribution of the Royal Navy. The Fisher rationalization was an integral part of the government's efforts to reduce expenditure and contain taxation, and Admiral Fisher and his supporters had the backing of the government because they promised to deliver savings in the naval estimates.

Creswell would have been aware of the debate about commerce protection inspired by the naval rationalization programme. Numerous articles on the subject were published in popular journals such as Blackwood's Edinburgh Magazine, Cornhill Magazine and The Nineteenth Century in 1905 and 1906. Not surprisingly, appearing to side with the opponents of the rationalization programme did not advance Creswell's reputation with the Admiralty or the government. Visiting London early in 1906 he received a frosty reception from British officialdom. He was denied access to the preliminary draft of the C.I.D.

78 Marder, The Anatomy of British Sea Power, p. 493.
When finally released the C.I.D. report poured scorn on Creswell's recommendations. "The proposals", it stated in reference to his scheme, "appear to be based upon an imperfect conception of the requirements of naval strategy at the present day, and the proper application of naval force." The protection of Australia's coastal trade, however, which was central to Creswell's arguments for a local naval force, was largely ignored. "The distribution at any moment of foreign navies, and of all merchant vessels likely to be employed as armed auxiliaries", the report stated, "is known in time of peace [and] during the period of strained relations every effort will be made to keep the ships of the prospective enemy under observation." Despite this, the C.I.D. accepted that some commerce raiders might escape the Admiralty's eye and fall upon Australian shipping but their only advice was that Australia maintain a number of "fortified harbours of refuge" where

The Board of Admiralty left on an extended tour of inspection the day after Creswell had presented his introduction without making any arrangements for meeting with him. "Report of the Director of Naval Forces (Capt. W.R. Creswell, C.M.G.) on his visit to England in 1906 to Inquire into the Latest Naval Developments", R.A.N.A., 1851. An edited version of this report appears as C.P.P., 1906 session, Vol. II, No. 82.

merchant ships could remain in safety until British warships could be despatched to protect them.  

In rejecting the establishment of a local naval force the C.I.D. had ignored a request by Deakin that they include the provision of local naval defence in their scheme of defence for Australia.  

"What", Deakin wrote to Richard Jebb of the C.I.D. in July 1906, "can one do with such people?" Deakin had already decided to proceed with the establishment of a local flotilla and had hoped the C.I.D. report would provide both guidance and support in this undertaking.  

With the report's rejection of local naval defence the problem for Deakin became one of how to proceed with his plans without unduly offending the imperial authorities.  

"Self-respect, self-esteem, self-assertion", Deakin subsequently wrote anonymously in the London Morning Post, "whatever name is given to it, a sentiment of the duty of self-defence, strong already, is growing stronger the more we realize our

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81 Ibid, p. 5.
82 Deakin to Sir George Clarke, 8 January 1906, Deakin Papers, N.L.A., Ms 1540/38/461.
85 See Meaney, op. cit., pp. 138-140.
strategically perilous position south of the awakening Asiatic peoples and as one of the two wardens of the Pacific Ocean. This sentiment, which the report mentions only to ignore, will on this point ignore the report."

Deakin had already been accumulating information on the naval agreement with a view to revealing dissatisfaction in Australia and bad faith on the part of the Admiralty. Quarterly returns of fleet movements were requested. Deakin, one student of Australian defence policy has argued, hoped that the British authorities, under pressure, would accommodate Australian demands." In late 1905 the arrival of H.M.S. Powerful in Australia appeared to provide an instance of the Admiralty's failure to live up to the terms of the agreement.

Under the terms of the naval agreement the Australian Squadron was to include at least one armoured cruiser. In accordance with this requirement H.M.S. Eurystheus had succeeded H.M.S. Royal Arthur as flagship of the Australian Squadron in 1904. Launched

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**London Morning Post, 6 October 1906. A. Deakin, Federated Australia: Selections from Letters to the Morning Post 1900-1910, ed. J. La Nauze, (Melbourne, 1968), pp. 189-190. The letter was written on 20 August 1906.**

**Atkinson, op. cit., p. 274.**
only in 1901, *Euryalus* was a 12,000 ton vessel armed with two 9.2-inch and twelve 6-inch guns. More particularly she reflected the recent return among world navies to armoured cruisers - that is she had a belt of armour plate up to six inches thick running along her waterline as well as armour protection for her deck and guns. Her presence on the Australia Station was the result of Britain's commitments under the secret provisions of the Anglo-Japanese Alliance outlined in the previous chapter. With the destruction of the Russian fleet at Tsushima, however, Britain no longer needed to maintain such a modern armoured ship in the Pacific. *Euryalus* was withdrawn to waters nearer home.

*Euryalus* was replaced on the Australia Station by H.M.S. *Powerful*. *Powerful* had been launched in 1895 following the construction of large cruisers by France and Russia for the purpose of attacking British maritime commerce. *Powerful* was a massive vessel, 14,200 tons and 520 feet on the waterline, larger than many battleships of her day. It had not been envisaged, however, that *Powerful*, would engage armoured vessels and as a result she had no waterline belt of armour and only light armour on her deck and turrets. *Powerful* was out of place in the battle fleet. Her large size made her unwieldy and unsuited to fleet manoeuvres while her lack of armour made her a liability in a fleet
It was for these reasons that **Powerful** was sent to Australia in 1905. Lacking an armoured belt, **Powerful** was officially classed as a protected cruiser, not an armoured cruiser and it was this that Deakin seized as an instance of the Admiralty flaunting the naval agreement.

Following questions in the parliament Deakin complained to the Admiralty about the apparent breach in the naval agreement. In reply the Admiralty offered Australia H.M.S. **Monmouth**. The weakness of Deakin's tactic was exposed. While not technically an armoured cruiser, **Powerful**, with her large size and great operational range was well-fitted for Australian service. Moreover she had been specifically designed to hunt down and destroy enemy commerce raiders, the very threat about which Australian navalists harped. In contrast **Monmouth**, though officially an armoured cruiser by virtue of a belt of armour along the waterline, was a smaller and less heavily armed, if newer, ship. Out-manoeuvred, an irritated Deakin reluctantly accepted the Admiralty's original decision.

Deakin summarized his complaints on the working of the naval agreement in a letter to the Colonial

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88. *Conway's All the World's Fighting Ships 1860-1905, op. cit.*

89. Admiralty memorandum in Lyttleton to Northcote, 29 December 1905, A.A.O.(C), CP290/15/B6.
Secretary on 26 April 1906. Though the Admiralty, he claimed, had pressed for payment of the naval subsidy from 28 August 1903 and Australia had duly paid her share, no increase in the strength of the squadron had taken place until 1904. Despatch of the second-class cruisers had been "marked with even less promptitude", it had been over two years before H.M.S. Cambrian had joined the squadron. Moreover, Deakin complained, the Cambrian had been sent on a flag-showing tour of the United States without the Commonwealth's approval and, making a reference to the Powerful affair, the Admiralty had not supplied vessels in strict adherence with the terms of the agreement.

On 26 September 1906 Deakin announced his intention to proceed with the establishment of a local destroyer flotilla. Australia, he told parliament, would embark on a three year plan to acquire eight coastal destroyers and four torpedo boats at a cost of £250,000. In defending this decision against the arguments of the C.I.D. Deakin seized upon the threat to Britain from the expansion of the German navy. The German naval programme, Deakin pointed out, had

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**Deakin to Northcote, 26 April 1906, A.A.O.(C), CP290/15/B6.**

**C.P.D., 1906 session, Vol. XXXV, pp. 5577-5578, 26 September 1906.**
attracted much attention in the British press and the Admiralty had admitted that it had far-reaching consequences for Britain but it had not been mentioned in the C.I.D. report on Australian defence. The German ship-building programme, Deakin claimed, would cause "a serious disturbance of the battleship power of the world and of naval influence, which depend so largely upon the command of battleships." For this reason, the prime minister explained, Australia "should develop to the utmost her self-dependence in our waters."\textsuperscript{92}

In initiating a local naval programme Deakin did not have universal support, even from within his own party. Some, like Senator Playford, while not enthusiastic supporters of a local navy, were willing to go along with their leader provided the money could be found. Others, such as the treasurer, Sir William Lyne, were opposed to any abrogation of the naval agreement. Deakin could, however, rely on the support of the Labor Party in the parliament. It was Labor policy to establish a national navy and many, if not all, Laborites were prepared to accept any reasonable plan for local naval defence.\textsuperscript{93} Likewise the press were divided in their support for Deakin's initiatives.\textsuperscript{94}

\textsuperscript{92}Ibid.

\textsuperscript{93}Atkinson, \textit{op. cit.}, p. 295.

\textsuperscript{94}Ibid, p. 296.
this situation Deakin merely indicated his intentions. Beyond that, writes Leon Atkinson, there was hesitancy and evasion as he awaited the outcome of the imperial conference due to convene in early 1907.⁸⁶

Throughout 1905 and 1906 Deakin had brought pressure to bear on the imperial authorities in the hope that they would moderate their position on local naval forces in order to accommodate Australian wishes. At the 1907 colonial conference Deakin's strategy appeared to have triumphed. The First Lord of the Admiralty, Lord Tweedmouth, announced the Admiralty's willingness:

> to consider a modification of the existing arrangements to meet the views of the various Colonies.**

While the Admiralty continued to argue that a single, centrally-controlled navy was the best means of defending the empire they were no longer insistent that contributions from the colonies should be in the form of money only. They were now prepared to enter into any

⁸⁶Ibid.

arrangements with the colonies which were suitable to them and which "may seem to bring advantage to the Navy." Indeed the colonies were now to be positively encouraged to develop local naval defence forces. "It would be of great assistance"). Tweedmouth explained, "if the Colonial Governments would undertake 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 a squadron, and also to equip and maintain docks and fitting establishments which can be used by His Majesty's ships."

This was an extraordinary demarche by the Admiralty. While it is true, as Professor Gordon has pointed out, that the level of colonial participation in naval defence proposed by the Admiralty did not go far beyond the limits of the Colonial Naval Defence Act of 1865, their new proposals did represent a complete reversal from the position they had taken at the 1902 colonial conference and, indeed, from the position that had been elaborated in the C.I.D. report on Australian defence produced less than twelve months earlier. The

Admiralty described this sudden change in their position on colonial naval defence as a concession to those colonies which desired distinctive naval services of their own. His Majesty's government, they explained, recognized "the natural desire of the self-governing Colonies to have a more particular share in providing the naval defence force of the Empire."  

It is this public explanation by the Admiralty of their change of policy which was behind the charges of Australian "particularism" which pervade so many of the early British studies of Anglo-Australian relations. Writers such as A.B. Keith, Henry Hall and W.K. Hancock are all critical of Australia for seeking to induce the Admiralty to change their position on local naval defence despite cogent strategic arguments against local navies. Even Donald Gordon, writing in 1961, saw the Admiralty's acceptance of local colonial naval forces largely in terms of an accommodation of colonial feelings. "The devotion of the Admiralty to the principle of unity in imperial naval defense", he writes, "was diluted by a measure of understanding that

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100 Cd. 3523, op. cit., p. 130.

strategic principles had to yield in some degree to political facts."\(^{102}\) More recent writers have seen the Admiralty's change of heart over local navies in the context of the withdrawal of the British battleships from China and proposals to reorganize British naval stations in the Pacific.\(^{103}\) It will be argued, however, that the Admiralty's change of attitude on colonial naval defence in 1907 can not be considered in isolation from the wider strategic situation, or, indeed, from the domestic political situation in Britain at the time. It is to the wider background of Admiralty policy and domestic British politics that we must turn in order to unravel the many factors which shaped the Admiralty's position at the 1907 colonial conference.

As has been noted above, the Admiralty had continued to support the naval agreement with Australia and New Zealand well into 1906, well after the Japanese victory at Tsushima and the withdrawal of the British battleships from China. In 1905, however, when Deakin first proposed changes to the agreement, the Admiralty had been preoccupied with internal wrangling. Moreover Deakin's alternative to the naval agreement, a


\(^{103}\) Bach, op. cit., p. 192.
subsidized merchant cruiser scheme, was impractical and clearly motivated by self-interest. By the middle of 1906 the situation had changed. Admiral Fisher had weathered the initial storm of protest over his naval reform programme and, equally important, had secured the support of the new Liberal government.  \[^{104}\]

The new Liberal government, unlike its Conservative predecessors, was not interested in schemes of imperial federation. \[^{105}\] This was important because it meant the Liberal government was not likely to oppose the termination of the naval agreement because of a belief that it was a an initial step along the road to an imperial Kriegsverein. Furthermore the agreement had lost its value as a discouragement to naval development by Australia. This had always been a major consideration in the Admiralty's support for the agreement. Deakin's announcement that his government intended to proceed with a local destroyer flotilla regardless of the feeling in London, however, suggested that the agreement was no longer effective in this role. The 1865 Colonial Naval Defence Act was still on the statute books and Australia retained the power to

\[^{104}\] On this see Williams, op. cit., pp. 84-85.

operate warships for harbour and coastal defence. A subsequent inquiry by the Colonial Office confirmed this.\(^{100}\)

The Admiralty, of course, could have denounced Deakin's decision to proceed with a destroyer flotilla and refused to co-operate with the Commonwealth in setting it up. They had, after all, successfully deterred the Barton and Watson governments from establishing an Australian destroyer force. But when Barton and Watson had tried to acquire destroyers the naval agreement had still been of strategic value to the Admiralty. By 1906 the Russian defeat at Tsushima, the revision of the Anglo-Japanese Alliance and the signing of the *entente cordiale* had all served to undermine the strategic value of the agreement to Britain. Of even greater importance, however, was the way these strategic changes had altered the financial balance of the agreement.

The importance of financial considerations in the reorganization and redistribution of the Royal Navy under Admiral Fisher have generally been overshadowed by the strategic considerations. But financial concerns were at the heart of the movement for defence

\(^{100}\) Law Office to Colonial Office, 21 August 1908, P.R.O., CO 418/87/31190.
reorganization in Britain from the outset. Pressure from the Treasury for reductions in naval expenditure had been one reason behind Lord Selborne's support for an alliance with Japan in 1901. The Liberals, entering government at the end of 1905 and committed to a large social welfare programme, needed cuts in the defence estimates even more than their Conservatives predecessors. Liberal support for Admiral Fisher was to a large degree dependent upon his ability to deliver reductions in the naval estimates. A further sweeping rationalization of the Royal Navy was initiated. In October 1906 it was announced that the existing naval reserve in Britain would be reorganized into a new 'Home Fleet'. This force would have at its centre battleships withdrawn from the front-line fleets (the Channel, Mediterranean and Atlantic fleets) and would be maintained on a reserve basis. The former naval reserve had consisted of older ships maintained in full commission.\textsuperscript{107} The cost savings Fisher effected were quite remarkable and are testimony to the importance of financial concerns in his naval reorganization. From £36.8 million in 1905, the naval estimates fell to £33.3 million in 1906 a reduction of nine and a half per cent. Moreover they fell by a further 5.7% to £31.4

\textsuperscript{107} Marder, \textit{From the Dreadnought to Scapa Flow}, Vol. I, pp. 71-72.
million in 1907 and did not return to their 1905 level for a further five years.¹⁰⁸

Under pressure to cut naval expenditure the 1902 agreement appeared an increasingly onerous burden to the Admiralty. The changed strategic situation in the Pacific following the destruction of the Russian fleet at Tsushima and the rewriting of the Anglo-Japanese Alliance had turned the 1902 naval agreement into a net drain on the Admiralty's contracting financial resources. Whereas before 1905 Australia and New Zealand had been subsidizing ships which would in any case have had to been based in the Pacific to fulfil Britain's obligations under the Anglo-Japanese Alliance, now the opposite was true. Because the Australasian subsidy did not meet the full cost of operating the ships the Admiralty was paying to maintain vessels in Australian waters which they believed were above requirements.

Not surprisingly Admiral Fisher, committed to delivering substantial reductions in the naval estimates, was particularly concerned by this change in the financial balance of the agreement. In a letter to the Commander-in-Chief Australia Station (Admiral Sir Wilmot Fawkes) in August 1906, Fisher drew especial

¹⁰⁸ See Appendix A.
attention to the financial side of the agreement. The annual subsidy of £240,000, he pointed out, covered less than half the annual maintenance cost of the squadron. "In any communications therefore", he instructed Fawkes, "which you may have with public men in Australia on this subject you should do your utmost to disabuse their minds of any belief that the Mother Country in general or the Admiralty in particular has any selfish interest in the retention of the present system." Fisher summed up his feelings about the naval agreement in a marginal note on a letter from Deakin. "Never was there such an extravagant waste of money, ships and men", he wrote, "as this agreement entails on the Admiralty."

One other factor appears to have influenced the Admiralty's change of heart over local navies in 1907. At the colonial conference Lord Tweedmouth, having announced Admiralty support for the establishment of colonial navies, recommended the colonies acquire destroyers and torpedo boats. Tweedmouth described these vessels as "useful for defence against possible

100. Fisher to Fawkes, 17 August 1906, P.R.O., Adm 116/1241B.

110. Marginal note by Fisher on a letter from Deakin. Deakin to Fisher, 12 August 1907, P.R.O., Adm 116/1241B.
raids or for co-operation with a squadron".\(^{111}\)

Previously the Admiralty had dismissed such craft as being of no value for defence and a misuse of money and resources. Tweedmouth's advice that the colonies should concentrate their naval efforts on destroyers and torpedo boats has generally been regarded as an attempt by the Admiralty to minimize the difficulties colonial navies would cause. Small vessels like destroyers and torpedo boats could be commissioned under the provisions of the existing 1865 Colonial Naval Defence Act and, because they could not operate far from the shores of the colony, would pose the least danger of causing an international incident. If colonial navies were to be developed then it was the view of the Admiralty, to quote Professor Gordon, that they should be made "as harmless as possible".\(^{112}\)

There is some evidence, however, that Tweedmouth's support for local destroyer and torpedo boat flotillas at the colonial conference reflected a genuine change of attitude toward local naval defences on the part of the Admiralty. By 1907 the Admiralty was being pressed by the War Office and the Colonial Office to review the defence requirements of the outer empire in the wake of British naval rationalization and reorganization. The

\(^{111}\) Cd. 3523, p. 130.

Admiralty was reluctantly forced to admit that local naval forces would be of value to defend places such as Australia until reinforcements could be sent from Britain. The evidence for this comes from inter-departmental correspondence connected with the 1909 imperial conference and will be discussed at greater length in the following chapter.

Within the Admiralty the lead in developing a new policy toward colonial naval defence was taken by the Naval Intelligence Department, and in particular its Director, Captain Charles Ottley. The N.I.D.'s efforts to develop a new policy are revealed in a series of confidential memoranda which have received surprisingly little attention from historians. On 18 October 1906 Captain Ottley wrote to the Colonial Office expressing the growing dissatisfaction within the Admiralty with the naval agreement. Ottley cited two objections to the agreement:

1. The agreement compelled the Admiralty to maintain naval forces in Australian waters above what they now believed to be necessary.

2. The agreement compelled the Admiralty to enlist and train colonial naval reserves who were paid higher rates of wages than more fully trained British seamen.

\textsuperscript{113} D.N.I. to Colonial Office, 18 October 1906, P.R.O., Adm 116/1241B.
The only reason that the Board of Admiralty had not publicly expressed dissatisfaction with the naval agreement so far, Ottley claimed, was because of "an earnest desire to promote a cordial understanding between the Australasian Colonies and the motherland."\textsuperscript{114}

In February 1907 Ottley outlined at length the arguments against the naval agreement. He dealt firstly with the criticism of the agreement in Australia. "The Colonies desire, and rightly desire", he stated, "to preserve their autonomy, and a purely dependent position in regard to naval power is incompatible with their healthy development as semi-independent states."\textsuperscript{115} Ottley then turned to the Admiralty's objections. Referring to the strategic situation in the Pacific following Tsushima, he drew particular attention to the change in the financial balance of the arrangement from the Admiralty's point of view. "The British tax-payer", he explained, "is compelled to pay for the support of a squadron in Australia part of which could be better employed nearer home."\textsuperscript{116}

\textsuperscript{114} Ibid.

\textsuperscript{115} D.N.I. memorandum, "Admiralty Views on the Working of the Australian Naval Agreement", 27 February 1907, P.R.O., Adm 116/1241B.

\textsuperscript{116} Ibid.
Ottley also drew attention to the Admiralty's commitment under the naval agreement to train colonial naval reserves. At the 1902 colonial conference this aspect of the agreement had been hailed by the First Lord as an important advance, a way of engendering in the colonies a "sense of personal interest" in the Royal Navy. But Australian seamen were paid higher wages than their British counterparts and, as Admiral Fanshawe had forecast in 1903, this had caused divisiveness among the men of the squadron. Moreover the Australian response to the naval reserve scheme had been disappointing. Of the 879 active and 725 reserve places provided for colonial seamen under the scheme only 600 of the former and 351 of the latter had been filled. Ottley remarked wistfully that if only Britain could be sure that none of the colonies would ever desire to sever their ties with the mother country it would be far better for Great Britain to alone bear the cost of naval defence in exchange for a pledge from the colonies to provide military forces to assist the British army in the protection of imperial interests throughout the world.

Having outlined the objections to the naval agreement - political, economic and strategic - Ottley recommended that the agreement be terminated and the

117. Ibid.
118. Ibid.
Australian squadron reduced. The Australian and New Zealand subsidies, he argued, should cease and those colonial seamen currently embarked in Royal Navy ships should be made liable for service in any part of the world, the amount of their wages above the standard British rates to be paid to them only upon completion of their service. The Commonwealth government's proposal for a reconsideration of the terms of the agreement and their stated intention to develop a local destroyer flotilla, Ottley claimed, provided the Admiralty with an ideal opportunity to effect the termination of the agreement. "Notwithstanding the many objections to the Agreement of 1902", Ottley stated, "the Admiralty have always tried to make the best of it and are prepared, if necessary, to continue to fulfil their obligations until its expiration in 1913, but ... their Lordships would offer their opinion that the Agreement of 1902 ... is incapable of satisfactory modification."  

In essence what Ottley was proposing was a trade off of Admiralty support for local colonial navies in return for Australia terminating the naval agreement. Ottley appreciated that the sanctioning of local naval forces was a major turn about turn by the Admiralty.

119. Ibid
120. Ibid.
"It must be plainly understood", he stressed, "that this policy is a diametrical volte-face from the attitude of the Board accepted at the last Colonial Conference." It was important to the Admiralty, however, both in terms of domestic politics and imperial relations, that moves to effect the early termination of the agreement appeared to result from colonial dissatisfaction rather than from dissatisfaction with the agreement within the Admiralty. By trading off the termination of the agreement for support for local navies it would appear that Australia was responsible for the failure of the agreement with the Admiralty merely bowing to colonial pressure.

Captain Ottley left the Admiralty shortly before the colonial conference to replace Sir George Clarke as Secretary of the Committee of Imperial Defence. Captain Edmund J. W. Slade was appointed Director of Naval Intelligence. Slade was less enthusiastic about the Admiralty endorsing the development of a local Australian navy in exchange for the Commonwealth terminating the naval agreement and accepting a reduction in the size of the Australian squadron. There was, Slade believed, no reason for any sort of

\[121\] Ibid.
"pleading" from the Admiralty. If not openly stated, however, Ottley's proposed trade off of local navies for an end to the naval agreement was implicit in Lord Tweedmouth's statements at the colonial conference. No one, least of all Alfred Deakin, was in doubt as to the trade off that was being offered. Deakin, while expressing a certain surprise at the Admiralty's sudden about face on local navies, was quick to accept the offer. His government, he declared, would gladly terminate the naval agreement and release the ships of the squadron from the present limitations in exchange for Admiralty co-operation in setting up a local force.

The 1907 colonial conference was a turning point in Admiralty-Australian relations. While the Admiralty's decision to support the development of colonial navies for coastal defence was a return to an earlier policy it also marked the end of twenty years of direct and indirect attempts to stifle all naval development in the colonies. The policy of 'one sea, one empire, one


123. Cd. 3523, p. 130.
navy' which had dominated the Admiralty's thinking on colonial defence throughout the 1890s and which they had pressed so strongly in 1902, had been abandoned.

It has been seen that there were a number of reasons for this sudden and dramatic change in policy. Australian discontent with the 1902 naval agreement, expressed forcefully through the correspondence of Alfred Deakin, was one factor. To this may be added the failure of the agreement to engender in Australians a sense of "personal interest" in the navy as Lord Selborne had hoped. Of greater importance, however, was the impact of the Russian defeat at Tsushima in 1905. With the destruction of Russian sea power the strategic value of the agreement to Britain was undermined. Moreover the change in the strategic situation meant that the agreement became a net drain on the Admiralty's resources at a time when they were under enormous pressure to find ways of reducing the naval estimates. With the election of a government which had little interest in strengthening the imperial connection this was perhaps the most important factor underlying the Admiralty's change of policy.

Yet while Lord Tweedmouth's announcement at the 1907 colonial conference signalled the Admiralty's abandonment of the 'one empire, one navy' policy, the Admiralty continued to have reservations over the
development of separate colonial navies. It remained to be seen if a way could be found to prevent a re-occurrence of the problems which had been associated with colonial navies during the early 1880s.
CHAPTER FIVE
A NEW PACIFIC FLEET, 1909

At the end of the 1907 colonial conference it appeared the Admiralty and Australia had resolved their differences over naval defence. After prolonged complaints from Australia about the 1902 naval agreement the Admiralty, Lord Tweedmouth had announced, was willing to "consider a modification of the existing arrangements to meet the views of the various Colonies." The Admiralty had given their support to the establishment of a local defence flotilla along the lines proposed by Deakin and the navalists in Australia. But as we have seen in chapter four the Admiralty had accepted the establishment of a local flotilla primarily because they could see no other way of securing the termination of the agreement and a reduction in the size of the Australian squadron. The Admiralty continued to have misgivings over the development of colonial flotillas and the recommendation that those colonies wishing to establish local navies should concentrate on submarines and torpedo boats reflected this. Submarines and torpedo boats had limited range and sea keeping. They could

1 Cd. 3523, p. 130 & 469.
not operate outside coastal waters and there was therefore less chance of their being involved in an international incident for which Britain would be held accountable.

The Admiralty's acceptance of local colonial navies meant a return to the situation which had existed before 1887. This was not what Deakin wanted. He was aware of the problems which had undermined the efficiency of the nineteenth century colonial navies and as he came to understand the full implications of the First Lord's statements at the 1907 colonial conference he began to press the Admiralty for a new form of association between the Royal Navy and the Australian flotilla which would enable the latter to keep abreast of developments in naval technology and strategy. The situation was transformed toward the end of 1908 by a naval crisis in Britain. With an increase in naval appropriations and the offer of battleships from Australia and New Zealand the Admiralty saw a way of reasserting British sea power in the Pacific. A plan was put forward for the creation of a new Pacific fleet, units of which were to be provided by the dominions. Though an agreement was reached between Britain, Australia and New Zealand the Pacific fleet was never completed. Only the Australian unit existed
in the Pacific at the outbreak of the First World War. Perhaps for this reason the Pacific fleet plan has received scant attention from historians. The Pacific fleet scheme, however, was the most significant development in Admiralty-colonial relations since the 1887 agreement. The Royal Australian Navy was the direct result of the Pacific fleet idea, while Britain's failure to provide the ships promised in 1909 was to dominate relations with the Pacific dominions down to 1914.

At the 1907 colonial conference it appeared that Australia would go along with the Admiralty's plans and terminate the 1902 naval agreement in exchange for Admiralty support in setting up a local flotilla. "The Parliament of the Commonwealth", Deakin told Tweedmouth, "would desire to terminate the present agreement, to set free the ships of the squadron from any obligations at present imposed, and to devote our funds to the provision of a local force." Accordingly the Admiralty prepared a detailed costing for a force of four River class destroyers and four torpedo boats.²


³ Admiralty to Deakin, 18 May 1907, Deakin Papers, N.L.A., Ms 1540/15/1382.
Upon returning to Australia, however, Deakin adopted a different view. Rather than terminating the naval agreement, Deakin suggested that it need only be "amended". In lieu of £100,000 of the £200,000 per annum subsidy the Commonwealth, Deakin proposed, could provide 1,000 seamen for service aboard ships of the squadron. Of these, 400 would be used to man two 'P' class cruisers, "or superior", to be provided by the Admiralty and "retained [on the] Australian coast, peace or war." A further two cruisers, also to be provided by the Admiralty, would be used to train the local naval militia. Any money remaining from the subsidy would go toward the provision of submarines and torpedo boats for harbour defence. Such an arrangement, Deakin anticipated, would require the recasting of only one article of the 1903 Naval Agreement Act with minor alterations to a further three.4

The Admiralty was angered by this new proposal. It differed substantially from what Deakin had said at the conference. "The Colonies, one and all", Admiral Fisher wrote to Lord Tweedmouth, "grab all they possibly can

out of us and give us nothing back."⁶ The Naval Intelligence Department, in considering the new Australian proposal, however, took a more pragmatic view. While admitting that "it seems as if Mr. Deakin wants to get all that he now has without paying the Imperial government anything for it", the N.I.D. accepted that, "at the same time we cannot afford to throw cold water on the scheme."⁶ Lord Tweedmouth had after all committed the Admiralty to working out an arrangement which was acceptable to the colonies and whatever the outcome the Admiralty would have to maintain at least a token force in Australian waters. There was no consideration of a total withdrawal from Australia. If the Admiralty agreed to the request for 'P' class cruisers, the N.I.D. postulated, "we shall not do ourselves any harm and it might simplify future negotiations". The legal and foreign policy difficulties associated with colonial warships, however, were uppermost in their minds and the N.I.D. recommended three conditions which in future negotiations "we must stick to at all costs"–


⁶ N.I.D. memorandum, 7 November 1907, P.R.O., Adm 1/7949.
1. Absolute control of all war-like operations in war. This means that the Admiral shall have absolute command of all the Commonwealth ships and torpedo craft from the moment hostilities commence.

2. No flag to be flown but the White Ensign.

3. The Colonial cruisers and torpedo boats should have no right of cruising outside Australian waters unless they come under the authority of the Commander-in-Chief. 7

The N.I.D.'s recommendations were embodied in the Admiralty's official response to Deakin's proposals sent to Australia on 7 December 1907. The Admiralty, Deakin was informed, "regard it as essential [that] complete control in time of war over local forces ... be secured to [the] Commander-in-Chief." 8 Of more immediate concern to the Admiralty, however, was the termination of the naval agreement. With understandable indignation the Admiralty pointed out that at the colonial conference Deakin had agreed that the Admiralty should not be bound to maintain a specified force permanently in Australian waters. "So long as the existing agreement is not cancelled", it was explained, "the Admiralty is precluded from making the necessary strategical disposition of Naval Forces, and,

7. Ibid.

therefore, the first condition of any new arrangement must be the cancellation of the agreement."

While the Admiralty's objectives in the negotiations with Australia are straight-forward, Deakin's aims have been the subject of speculation extending beyond providing a permanent naval defence for Australia. A number of writers have seen in Deakin's efforts to establish an independent Australian navy a desire to advance Australia's status within the empire and in particular to obtain a voice in the direction of imperial foreign policy. Returning to Australia from the colonial conference in 1907 Deakin had drawn attention to a speech by British prime minister Sir Henry Campbell-Bannerman in which control of naval defence and control of foreign policy had been linked. "It implies", Deakin had stated in regard to Campbell-Bannerman's comments, "... that when we do take a part in naval defence, we shall be entitled to a share in the direction of foreign policy."

9. Ibid.


Gaining for Australia a share in the direction of imperial foreign policy, however, could have only have been a long-term objective for Deakin in 1907. The naval forces he was contemplating were of a strictly limited capability and unlikely to lead the Foreign Office suddenly taking Australia into their confidence. Winston Churchill summed up the situation with characteristic acuity. Australia, he claimed, will never provide any ships of any serious value... We might give Mr. Deakin a measure of control in Foreign Policy exactly proportionate to Australia's contribution to Imperial defence without much risk.

Deakin's first concern in his negotiations with the Admiralty appears to have been ensuring that the new

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12. Following the establishment of the sea-going colonial navies the Foreign Office did treat the colonies with more deference. In 1916 Foreign Secretary Sir Edward Grey stated that, "it was part of our policy, now that the self-governing Dominions have separate fleets and forces, to consult them on matters of foreign policy." Grey to Rumbold, 26 May 1916, B.D., Vol. VIII, p. 525. Consultation with the dominions, however, did not mean Foreign Office acquiescence to their views. On this see I. Nish, "Australia and the Anglo-Japanese Alliance, 1901-1911", The Australian Journal of Politics and History, Vol. IX, (November, 1963), pp. 201-212.

Australian navy did not suffer from the limitations of the nineteenth century colonial navies. Deakin had been a senior member of the Victorian government during the heyday of the colonial navies in the 1880s. He was aware of their shortcomings. Though the colonies had looked upon their navies with great pride they were essentially part-time forces with limited training and skill. As Admiral Tryon had pointed out so cogently in his memorandum to the Victorian governor Sir Henry Loch, there was no means of drafting colonial seamen from ship to ship, or sending them to undergo training in new methods or weapons, or of keeping them acquainted with the latest weapons of the enemy. As Tryon had explained, without such measures the colonial navies would never be truly efficient, professional forces.  

Returning to Australia from London, Deakin began to realize that the path sketched by Tweedmouth at the colonial conference would take Australia back to the situation which had existed before 1887. The new Australian navy would suffer from the same limitations as the nineteenth century colonial navies. It would certainly not be a springboard from which a sea-going

14. Tryon to Loch, 27 March 1885, P.R.O., Adm 1/6785.
Australian fleet could later be developed. "I have grown more and more deeply to realize", Deakin told the Commonwealth parliament on 13 December 1907, "the risks of our attempting to create a small force solely on our own." Deakin outlined these "risks" in a letter to the Admiralty on Christmas Eve 1907:

Since the vessels owned by the Commonwealth must be few and small when compared to those of the Royal Navy, and the numbers of men correspondingly limited, if our service were isolated, their opportunities for promotion and for keeping themselves abreast of the latest Naval developments in tactics, mechanical appliances, and instruction must be comparatively very restricted.

Deakin was desperate to avoid the cul-de-sac of the nineteenth century colonial navies. He knew that high standards of efficiency and professionalism could only be achieved through the closest co-operation with the Royal Navy. Training for Australian seamen aboard British vessels and joint exercises were essential. As he had explained at the colonial conference:


16 Deakin to Admiralty, 24 December 1907, C.P.P., 1907 session, Vol. II, No. 6, "Naval Defence. Further Correspondence between the Commonwealth Government and the Admiralty, in Regard to the Naval Defence of Australia".
We recognize that the Navy as a fighting machine is only kept in its condition of efficiency by the constant maintenance, even in the lowest ranks of the Service, of the highest state of training. We appreciate the discipline and training which our men have received in the squadron, and anticipate in the future that by similar means, by association with the [Royal] Navy, we shall be assisted to keep our local vessels, whatever they may be, up to its high standard.\(^{17}\)

It was with the object of ensuring close association with the Royal Navy that Deakin had proposed the retention of British cruisers in Australian waters and the provision of Australian seamen to man them. After the Admiralty had rejected the request for 'P' class cruisers Deakin continued to press for a local flotilla that was 'keyed in' to the Royal Navy. He had a vision of an Australian flotilla which was in one sense 'colonial' and in another 'imperial'. Its ships would be under the control of the Commonwealth and provide local naval defence for Australia, but its personnel would be part of the Royal Navy, circulating along the normal service paths between Australian and British ships. Australian seamen, he explained, would "serve on our local vessels for the usual term on this station, whatever it may be, and then pass elsewhere. They would remain members of\(^{17}\) Cd. 3523, p. 475. My italics.
... [the Royal] Navy in every sense .... being simply seconded for fixed terms for service under our general control."  

Deakin's proposal for an Australian flotilla which was both 'colonial' and 'imperial' was an innovative answer to the difficulties inevitably faced by a small navy in a world of great fleets and rapidly changing technology. Its sheer originality was a problem. The Admiralty confessed that initially they had "a difficulty in fully comprehending the extent of the scheme." More important was the question of control. Deakin believed that ships maintained by the Commonwealth must be under Commonwealth control. He realized, however, that this could jeopardize his desire for a close relationship with the Royal Navy. "The problem for us", Deakin explained in his statement on defence policy on 13 December 1907, "is the association of our small 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 cost."  

The Admiralty had already insisted that they receive complete control of Commonwealth vessels at the outbreak of war. Nevertheless they did accept that "as a general principle ... the Government of a self-governing Colony should have the power to control in its own waters the movement of the local force it maintains, and that this force should not be moved away from Colonial waters without the concurrence of the responsible Government." This was to form the basis of a compromise which would enable an Australian flotilla of the Royal Navy to be put into effect.

In August 1908 the Admiralty sent Deakin a draft scheme for an Australian flotilla which, they felt, did not present them with any "insuperable difficulty". It was based on Deakin's earlier proposals and his December statement on defence policy in which he had

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21 Admiralty to Deakin, 10 February 1908, C.P.P., 1908 session, Vol. II, No. 6, op. cit.

22 Ibid.

committed the Commonwealth to building six destroyers and three submarines over a three year period. No provision was made for the retention of British warships in Australian waters, the Admiralty having already rejected Deakin's request for 'P' class cruisers.

The most important feature of the proposal was that it made provision for joint control. In keeping with Deakin's hopes the administrative control of the flotilla would rest with the Commonwealth but the officers and men would form part of the Royal Navy. Under the Admiralty scheme the flotilla would be "under the undivided control of the Commonwealth Government" while it was within Australian waters, but upon leaving Australian waters would automatically "become subject to the direction of the Senior Naval Officer as representing the Imperial Government." The vessels, however, could not be moved out of Australian waters without Australian approval.²⁴

The persistence of the Australian prime minister appeared to have finally been rewarded. "The squeaky wheel", Donald Gordon writes in reference to the continuous pressure Deakin had applied on the imperial

²⁴ Ibid.
authorities from 1905, "was beginning to be heard, no longer with annoyance alone, but with a dawning sense that perhaps some grease needed to be applied."\textsuperscript{25} Richard Preston sees Deakin's 1907 statement on defence policy as the turning point. "Deakin's speech", he states, "forced the Admiralty's hand."\textsuperscript{26} Explaining the Admiralty's acceptance of Deakin's proposals purely in terms of a British desire to placate Australia, however, has meant that the considerable advantages of the scheme from the Admiralty's point of view have tended to be overlooked.

Back in the early 1880s Admiral Key had identified two principal objections to colonial navies. Being small they offered limited training and experience, and Key was therefore concerned at the prospect of colonial ships operating in conjunction with vessels of the Royal Navy. That colonial officers with only merchant navy qualifications might have control over British warships in wartime had been an associated concern. Under the scheme sketched by the Admiralty in August 1908, however, the personnel of the Australian flotilla would all be members of the Royal Navy. The training standards would be maintained at an equivalent level to

\textsuperscript{25} Gordon, \textit{The Dominion Partnership in Imperial Defense}, p. 214.

\textsuperscript{26} Preston, \textit{op. cit.}, p. 382.
that of the Royal Navy, personnel serving aboard both Australian and British warships during their careers. Moreover, under the Admiralty's proposal, the flotilla would be "administered in the same way as the Imperial Navy, the proper sequence of command being insured by every officer from the Senior Officer downwards holding an Admiralty commission." Though not spelt out, it was clear from the Admiralty's letter that they alone would decide appointments and promotions. Under such a system there would be no difficulty in integrating the Australian forces into the Royal Navy for service in Australian waters, or further afield if the Commonwealth permitted.

Key's second concern was the question of the legal status of colonial vessels. As the colonies were not recognized internationally as autonomous states the operations of colonial warships were a potential source of embarrassment to Britain. As we have seen in the preceding chapters Admiralty concern at that possibility had played a central role in determining their attitude to Australian naval defence. Under the new scheme, however, the chance of the Commonwealth using the flotilla irresponsibly was eliminated. If the

vessels left Australian waters they would automatically come under the control of the Admiralty. To ensure this happened all the personnel would be subject to British naval discipline, while the Admiralty had the further comfort of knowing that for ten years at least all the officer positions were likely to be held by Englishmen.

The scheme for an Australian flotilla maintained by the Commonwealth but whose personnel were part of the Royal Navy thus overcame many of the Admiralty's objections to colonial navies. Of course they would have preferred a cash contribution from Australia free of any conditions, but realists within the Admiralty had accepted that this had only ever been a pipe-dream. The only colony to make an unconditional subsidy had been South Africa and that was when war with the Boer states had been imminent. The 1887 naval agreement had established the precedent that colonial subsidies involved some measure of colonial control over the movement and disposition of particular ships. It had proved effective as a means of discouraging the development of colonial navies but the continuing decline of British sea power relative to the other navies of the world and the political desire to contain

28 Captain Ottley may be counted among these. See his memorandum as D.N.I. dated 27 February 1907 quoted in chapter 4.
naval expenditure meant that by 1907 it was no longer a practicable policy. Lord Tweedmouth's statement at the colonial conference signalled its abandonment and a return to the situation prior to 1887.

The Admiralty had also changed their attitude on the strategic value of local defence forces. As late as 1906 the Admiralty had dismissed proposals for an Australian destroyer flotilla as strategically unsound and of too little defence value to justify the cost of its maintenance. Now, however, the Admiralty, while continuing to argue that the naval defence of Australia was "best secured by the operation of the Imperial Navy distributed as the strategic necessities of the moment dictate", admitted that "at the same time .... the establishment of a local flotilla would greatly assist the operations of the latter." This change of attitude was a reflection, in the context of Australian defence, of a wider reconsideration of the implications of British naval withdrawal in Whitehall.

The rationalization and redistribution of the Royal Navy after 1905 had not only caused dissension within

the Admiralty but had led to sustained protests from the Foreign Office and Colonial Office. These two great departments of state feared that the withdrawal of gunboats and cruisers from the outer empire would jeopardize British interests in Asia, Africa and the Americas and undermine the force of British diplomacy. "There are important British interests in distant seas", Foreign Secretary Sir Edward Grey protested in February 1907, "where the opportune presence of a British ship of war may avert a disaster which can only be remedied later at much inconvenience and considerable sacrifice."30 One area from which British patrol vessels had been withdrawn was the seas to the north of Australia and the Colonial Office complained bitterly at their absence in the waters of New Guinea, Fiji and the New Hebrides.31

More important, however, were the implications for colonial defence of the relative decline of the Royal Navy and its enforced concentration in the North Sea to counter the growing naval power of Germany. By 1903 the

30. Grey to Admiralty, February 1907, P.R.O., CO 537/348.

Admiralty's pledge to protect "all British territory abroad against organized invasion from the sea" was being questioned. In answer to inquiries by the Colonial Defence Committee and the War Office, the Admiralty admitted that they were no longer capable of protecting British bases in the Caribbean or indeed Canada from naval attack by the United States. The War Office, in what Aaron Friedberg has recently described as a "terrifying flash of insight .... to which the Admiralty had no real response" returned:

Unless ... the War Office has misinterpreted the plan for the strategical distribution of our naval forces ... the conclusion appears to be unavoidable that the present strength of His Majesty's Navy would not suffice to defend on the high seas the interests of the Empire.

While this admission related to British interests in North America it had wider repercussions for the defence of the empire generally and for Australian naval defence in particular. 'The Principles of

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33. Friedberg, ibid, p. 188.

34. Quoted in Friedberg, ibid.
Colonial Defence', the document upon which British advice to the dominions on defence matters had been based since 1896 had been undermined. If the Admiralty's promise of protection no longer held good for British possessions in North America, did it still hold true for British possessions elsewhere, in the Pacific for example? The Colonial Office took up this question with the Admiralty. "Under existing circumstances, or circumstances that may shortly exist", the Colonial Office inquired in May 1909 just before colonial representatives were due to meet in London to discuss the subject of imperial defence, "can we guarantee the command of the sea in the Far East and in the Western Atlantic against possible enemies there?" Anticipating a negative response, the Colonial Office went on to state:

If the answer is 'No', then we are surely bound to tell the Colonies: and it would seem to follow that torpedo boats etc., are not enough for their defence - they must have battle fleets if they are not merely to stand on the defensive for an indefinite period, and on the defensive against 'formidable defensive forces'.

Colonial Office to Admiralty, May 1909, P.R.O., CO 537/571/17938.

Ibid.
The Admiralty replied to the Colonial Office's inquiries on 15 June. They cited the Anglo-Japanese Alliance as the reason for the small force they now maintained in the Pacific. Should the alliance cease, however, and Japan join Britain's enemies, the Admiralty admitted that:

it might be possible for Japan to land a considerable number of troops in Australia, and even to occupy Sydney and Melbourne.\(^3^7\)

Nevertheless if Britain retained sea supremacy, the Admiralty argued, Australia could be regained. "We could cut off Japanese reinforcements", they assured the Colonial Office, "while pouring British troops into Australia", adding that "it would seem doubtful ... whether Japan would take this tremendous risk so long as ultimate sea predominance is likely to rest with England."\(^3^8\)

That it was even remotely possible that Australia could be invaded was a major change from the Admiralty's previously stated position. Hitherto they

\(^{37}\) Admiralty to Colonial Office, 15 June 1909, P.R.O., CO 537/571.

\(^{38}\) Ibid.
had claimed that at most Australia would face isolated raids from unarmoured enemy cruisers and perhaps a landing party of up to 1,000 men. The Admiralty's reluctant acceptance of an increased risk to Australia appears to have been a factor in their change of heart over the value of a local flotilla in 1907. With the Royal Navy unlikely to be able to come to Australia's immediate assistance Australia would have to defend herself until British reinforcements could arrive. In replying to the Colonial Office the Admiralty laid great stress on Australia's ability to "keep up their end till help comes." For this task local naval forces would clearly be useful, not to say essential, and the Admiralty conceded the need for "local squadrons of all types of ships which may help in keeping the end up."

The need for an Australian navy for coastal defence had been elucidated in an article by Lieutenant A.C. Dewar in February 1908. Dewar was one of a group of up and coming young officers in the Royal Navy. His article is of interest because it explained the importance of an Australian coastal force in the language of 'blue water' strategy. "Control of the

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sea", Dewar argued, "... means the control of a particular sea area; in other areas the command may be disputed, lost, or have been allowed to lapse." Britain's control of European waters, Dewar explained, would only give control of Australian waters if the latter are threatened by a power whose lines of communication to Australia passed through Britain's sphere of control in the Atlantic. "Such control", Dewar claimed, "would avail little if Australia was threatened by a Pacific power, unless our naval strength was so predominant as to ensure command of the sea, both in the Atlantic and the Pacific." Pacific power. Britain, he believed, would never be able to send more than a third of her fleet to the Pacific because of the need to guard against the sudden intervention of a European power. As a consequence, Australia and Canada "are immediately exposed to oversea invasion and drop to the political portion of dependencies on the general equilibrium of world." 

In Dewar's view Britain did not possess sufficient naval forces to secure command of the Pacific against a


\[42\] Ibid, pp. 445-446.
power." It was therefore imperative that Australia set her house in order and provide herself with coastal flotillas. Submarines, mines, destroyer flotillas and coastal batteries, Dewar believed would at least compel an enemy fleet to exercise great caution in approaching a hostile coast. "A moderately strong army and a strong force of torpedo craft, particularly submarines, based on sufficiently protected harbours", he explained, "can render invasion very risky, if not impracticable, even if the enemy controls the sea." Underlying Dewar's arguments was the rise of Japan as the major naval power in the Pacific. While Britain remained in alliance with Japan, Dewar believed, Australia was secure. But the Anglo-Japanese Alliance was due to expire in 1915 and in Dewar's view Australia had till then to place its system of defence on a sound basis. Other more influential figures in British defence circles were also concerned at the latent threat the rise of Japanese sea power posed to British interests in the Pacific. Most vulnerable was Hong

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45 *Ibid*. 

In June 1909 the Committee of Imperial Defence raised the question of the defence of Hong Kong with the Admiralty. The First Lord (Reginald McKenna) accepted that Hong Kong's security rested entirely upon the navy. British naval forces in the Far East, the Director of Naval intelligence (Captain A.E. Bethell) claimed, could be reinforced from the Mediterranean in twenty-four days. The Chief of the General Staff (General Sir William Nicholson), however, was scornful of such reassurances. He argued that sufficient naval strength should be maintained in the Pacific to prevent an attack on Hong Kong from being made. "If the Japanese", he argued, "had a month during which they were supreme at sea, they would not waste it by doing nothing."

Britain's difficulties in the Pacific were compounded by the laying down by Japan of dreadnought battleships. The launching of H.M.S. Dreadnought in February 1906 had revolutionized naval technology. By combining steam turbine propulsion for higher speeds

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47. C.I.D. minutes, 104th meeting, 29 June 1909, P.R.O., Cab 2/2.

48. Ibid.
with an all big gun armament *Dreadnought* had made all previous battleships obsolete, including Britain's own considerable pre-dreadnought fleet. The laying down of Japan's first dreadnought in January 1909 therefore posed a major problem for any rapid reinforcement of the Royal Navy in the Far East.\(^4\) While Britain had a large number of older battleships which could be sent to the Pacific these would be totally outclassed by the new Japanese dreadnoughts.

A crucial element in these discussions was the feeling that in the longer term Japan could not be trusted as an ally. The growth of German naval power in the North Sea left Britain increasingly reliant upon Japan's goodwill in the Pacific and in 1911 the Anglo-Japanese Alliance was extended for a further ten years. Because of this it is easy to assume that the British authorities took the continuation of the alliance for granted. The discussions in the C.I.D., however, suggest that this was not the case and in that 1909 at least the extension of the alliance was by no means the certain. Britain, Lord Crewe argued, could not implicitly rely on the treaty with Japan to safeguard her interests in the Far East. Moreover he warned, "it

\(^4\) Japan's first dreadnought battleship, *Settsu*, was laid down on 18 January 1909. Her sister ship, *Kawachi*, as laid down on 1 April 1909. Both ships were completed in 1912.
is possible that, in her dealings with China, Japan might behave in such a manner as to cause us to refuse to identify ourselves further with her as an ally. " Crewe further suggested that in the event of war with Germany public opinion in Britain would not allow a large fleet to be detached to the Far East while, should relations with Japan become strained, Britain might hesitate to reinforce her fleet in the Pacific for fear of precipitating hostilities.\(^5\)

The Committee of Imperial Defence concluded that while the Anglo-Japanese Alliance was in force Britain's possessions in the Far East were secure. In the circumstances there was little else they could do. Britain did not possess sufficient forces in 1909 to strengthen her presence in the Pacific had it been decided that they were at risk from Japan, yet British leaders were not prepared to admit that as far as the Pacific was concerned Britain was an endangered power. Indeed Admiral Fisher told the C.I.D. that the Admiralty did not believe that they had given up local command of the sea in the Far East. Britain's lack of forces there, he claimed, was "due purely to our present relations with Japan" and he assured the

\(^5\) C.I.D. minutes, 104th meeting, 27 June 1909, op. cit.

\(^6\) Ibid.
Committee that the fleet in the Pacific would be increased before the treaty with Japan expired. 52

Admiral Fisher was quick to elaborate on his pledge to strengthen Britain's naval forces in the Pacific before the alliance with Japan was due to expire in 1915. Within a month of the C.I.D meeting the Admiralty had announced plans to create a new Pacific fleet. At its heart were to be three new dreadnought battle cruisers, each one the nucleus of a self-contained 'fleet unit' of cruisers, destroyers and submarines. The 'fleet unit' idea was itself a novel approach at a time when navies were organized in squadrons of like vessels; battleship squadrons, cruiser squadrons, destroyer squadrons and so forth. It foreshadowed the 'task force' organization of the Second World War and had first been proposed in 1908 by Admiral Sir Reginald Bacon in a paper read at the Institute of Naval Architects where it had attracted much criticism from those naval officers who had been present. 53

Of the three 'fleet units' that were to make up the new Pacific fleet one was to be entirely Australian. The Admiralty's 1908 recommendations for an Australian

52. Ibid.

coastal flotilla were completely reversed. Destroyers and submarines were no longer preferred. "Such flotillas", the Admiralty now explained, "cannot co-operate on the high seas in the wider duties of protection of trade and preventing attacks from hostile cruisers and squadrons." Moreover they argued, "a scheme limited to torpedo craft would not in itself ... be a good means of gradually developing a self-contained fleet." At the very least, the Admiralty now argued, Australia must construct a 'fleet unit' with a dreadnought battle cruiser at its heart.54

The Admiralty's plan to create a new Pacific fleet raises a number of questions. The proposal came on the heels of the greatest naval scare in Britain since the nineteenth century. In late 1908 information that Germany was secretly accumulating materials such as nickel, which were essential in battleship construction, and had increased its production of heavy gun mountings, had led the Admiralty to believe that Germany was about to accelerate its battleship

programme. They estimated that if the Germans built to their maximum capacity they would achieve superiority over Britain in the all-important class of dreadnought battleships by 1912.\textsuperscript{55} Faced with the possibility of losing naval supremacy in the North Sea why did the Admiralty commit themselves to establishing a greatly increased fleet in the Pacific? And where were the extra ships to come from? While it was planned that some ships of the new Pacific fleet would be provided by the dominions, a battle cruiser, six cruisers, twelve destroyers and six submarines were to come from Britain.\textsuperscript{56} Moreover in the midst of the crisis Australia and New Zealand had offered to donate a dreadnought to Britain for service in the North Sea. Why then did the Admiralty choose to recommend that Australia establish a fleet unit? The Admiralty had always claimed that contributing to the Royal Navy was the most effective way for the colonies to assist in their naval defence. They could have accepted the offer of a dreadnought free of any limitations and left Australia to proceed with the establishment of a local flotilla. After having sought for so long to keep

\textsuperscript{55} Marder, \textit{From the Dreadnought to Scapa Flow}, Vol. I, p. 21.

\textsuperscript{56} Cd 4948, pp. 25-26.
colonial naval development to a minimum the Admiralty's proposal for sea-going colonial fleets indeed seems hard to understand.

These questions have not been satisfactorily answered. The Admiralty described their new proposals as a response to colonial feeling. "The various circumstances of the oversea Dominions have to be borne in mind", they stated, "... their history and their physical environment have given rise to individual national sentiment for the expression of which room must be found." As we have seen, however, this was the standard explanation the Admiralty provided for changes in their position on colonial naval defence. Invariably there were other motives.

Historians have concentrated on events in the North Sea to the exclusion of events in the Pacific. The plan to create a Pacific fleet rates only a couple of lines in the voluminous writings of Arthur Marder while it is not mentioned at all in the recent biography of Admiral Fisher by Ruddock Mackay. Richard Preston, in his book Canada and 'Imperial Defense', sees the Pacific fleet proposal as an extension of Anglo-German naval rivalry. "The Anglo-Japanese Alliance and the current belief

\[57\] Ibid, p. 21.
that war with the United States was improbable meant that there was no potential enemy naval power in the Far East", Preston writes, "Is it not possible that McKenna and Fisher saw the Pacific fleet units as reserves that might pass without being counted in the current naval race?" Moreover Preston suggests that the Pacific fleet's battle cruisers may have been intended as a counter to German battle cruisers should they reach the Pacific. "Admiral Fisher", he claims, "may not have anticipated that one of the Australian battle cruisers would soon be assigned to home waters, but he knew that they would relieve the Admiralty of concern if the new German battle cruisers got loose in the Pacific."

There seems little reason, however, for believing other than that the Pacific fleet plan was a serious proposal by the Admiralty to strengthen Britain's naval forces in the Pacific or that Japan was the naval power it was intended to counter. As we have seen above, the extension of the Anglo-Japanese Alliance was far from certain in 1909 and the concern being voiced in British defence circles at the growth of Japanese sea power belies Richard Preston's claim that Britain did not see any potential enemy naval power in the Pacific. The

58. Preston, op. cit., pp. 399-400.
Admiralty was under considerable pressure to reinforce Britain's naval presence in the Far East. Admiral Fisher had pledged to increase Britain's naval forces there before the Anglo-Japanese Alliance was due to expire in 1915. For this to be honoured ships would have to be laid down under the 1910 and 1911 programmes. Capital ships took several years to build. A battle cruiser laid down under the 1910 programme, for example, could not be expected to be operational before 1913.

Fisher's private correspondence also supports the belief that the Pacific fleet was an attempt at reasserting British sea power in the Pacific. "The keel is laid", he wrote jubilantly to naval journalist Gerard Fiennes in April 1910, "... of that great Pacific Fleet, which is to be in the Pacific what our Home fleet is in the Atlantic and North Sea - the Mistress of that Ocean as our Home Fleet is of the Atlantic". Moreover Preston's suggestion that the Pacific fleet was intended to counter German battle cruisers should they ever reach the Pacific suggests an unclear understanding of the German naval programme. German capital ships were designed for operations in the North Sea in accordance with Admiral Tirpitz's famous 'risk theory'. According to this theory the German battlefleet was to be strong enough to threaten
the overall maritime supremacy of the Royal Navy. Should Britain attack such a fleet it ran the risk of a Pyrrhic victory, losing so many ships that it became liable to attack and defeat by other naval rivals.°¹ The German battlefleet was concentrated in the North Sea, where it served as a deterrent to British naval attack and posed the greatest threat to Britain's maritime predominance. Not expected to operate in rougher oceanic waters German capital ships had relatively low freeboards and limited range which made them unsuitable for operations in the Pacific, while their crew accommodation was so limited that when not at sea their crews lived in barracks ashore.

It may therefore be accepted that the Pacific fleet proposal was a serious attempt by the Admiralty at strengthening Britain's position in the Far East in the face of growing Japanese sea power. But the question remains as to where these additional forces were to come from at a time when Britain was in a neck and neck struggle with Germany for the command of the North Sea. While few historians have considered the motivations


°¹ On Tirpitz's 'risk theory' see especially Kennedy, "Strategic Aspects of the Anglo-German Naval Race", *op. cit.*
behind the Pacific fleet plan, fewer still have tried to explain how the Admiralty believed they could provide the ships needed to meet this new commitment. Rather, the scheme has been dismissed as a flight of fancy by the First Sea Lord. "It seems probable", writes Neville Meaney, "that 'The Pacific Fleet' was Fisher's bright idea and that it was his eloquent advocacy which in a decisive moment committed the British government." But, Professor Meaney continues, "Fisher's enthusiasm for the first time had outrun his judgement." 

Events were to prove that the Pacific fleet was indeed beyond Britain's resources. The vessels promised by Britain never materialized and within only a few years the British government wanted even the dominion units for service in the North Sea. Though the Pacific fleet plan was hastily conceived and not adequately thought out a careful examination of the circumstances surrounding its conception does offer an explanation as to why the Admiralty felt they could establish a new fleet in the Pacific by 1913. The explanation surely lies in the course of the naval crisis in Britain during 1908 and 1909.

62 Meaney, op. cit., p. 186.
The 1909 crisis has been detailed elsewhere, notably in the works of Arthur Marder and more recently Peter Padfield. Briefly, it centred on the number of dreadnought battleships that should be laid down in the fiscal year 1909-10. While some members of the government believed that four new dreadnoughts would be sufficient, claiming that the German threat had been exaggerated, the Admiralty requested six, and the press, demanding that the superiority of the Royal Navy be put beyond any doubt, mounted a vociferous campaign for eight new ships. On 24 February 1909 a compromise was worked out. The Cabinet agreed to lay down four new dreadnoughts in 1909 and a further four, should events prove they were needed, by 1 April 1910. In this way British superiority over Germany in 1912 would be assured.

The Admiralty was confident that the weight of public opinion would force the government to order all eight battleships regardless of what the Germans did. "I can't make out the Prime Minister", Admiral Fisher wrote to a friend in March 1909, "as he keeps quibbling about the 8 Dreadnoughts, and yet he knows we are going

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Fisher used his connections with the press, in particular his close friendship with J.L. Garvin, the editor of The Observer, to ensure all eight battleships were ordered. "We have engineered 8 Dreadnoughts this year", he wrote to Garvin on 20 March, "They can't be prevented! We have engineered the great radical majority into an obedient flock."

Whether the Germans had planned to accelerate their building programme, and the extent to which the crisis was manipulated by Fisher, is a matter of some dispute. Arthur Marder is not convinced of a German plot. E.L. Woodward, though not able to show positive proof, thinks that the Germans had planned to accelerate their programme but were deterred from doing so by its being revealed. Whatever the case the German acceleration in 1909 did not happen though all eight British dreadnoughts were authorized. With eight new dreadnoughts under the 1909-10 programme Fisher

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believed he had secured a breathing space in the naval race with Germany. "We shall have 22 Dreadnoughts in March 1912", he told close friend Arnold White, "and the Germans will only have 11! This is an absolute fact! But as I've often told you, 'the truth is we don't want anyone to know the truth'."

Fisher's conviction that he had secured a breathing space in the naval race with Germany is crucial to understanding the Admiralty's Pacific fleet proposal. As early as December 1908 Fisher had begun to doubt whether the Germans were really about to accelerate their battleship programme. By the summer of 1909 it was known for sure that the suspected German acceleration had not been translated into ships. The perception of the crisis in the dominions, however, lagged well behind events in Britain. The New Zealand offer of a dreadnought was not made until 22 March 1909. A fortnight later the governments of New South Wales and Victoria also offered to provide a dreadnought for the Royal Navy but a similar offer by the Commonwealth was not made until May, after the


**Mackay, Fisher of Kilverstone, p. 410."
Labor government had been replaced by a new Deakin ministry.\textsuperscript{70}

The extent to which the emergency in Britain had faded, even by March when the New Zealand offer of a dreadnought was made, can be seen from the British government's initial response to the New Zealand gift. Rather than immediately accepting the battleship the British government held it in promise for the future, "in view of the uncertainty that exists as to the character and extent of the demands which may be made on the national resources in the following years."\textsuperscript{71} "So far as the coming financial year is concerned", Lord Crewe explained, "the provision and powers for which sanction is being asked in the Naval Estimates now before Parliament afford ample security."\textsuperscript{72}

The 1908 naval scare had yielded the Admiralty four additional battleships under the 1909-10 programme. The offers of dreadnoughts by New Zealand and later Australia were a further windfall for the Admiralty. It

\textsuperscript{70}Lord Plunket (Governor of New Zealand) to Lord Crewe (Colonial Secretary), 22 March 1909. G.B. Simpson (Acting Governor of New South Wales) to Crewe, 4 April 1909, Lord Dudley (Governor General of Australia) to Crewe, 4 June 1909, Cd. 4948, passim.

\textsuperscript{71}Crewe to Plunket, 24 March 1909, \textit{ibid}.

\textsuperscript{72}\textit{Ibid}. 
was perhaps this surfeit of battleships which led the Asquith government to initially reject the New Zealand offer. But Britain had for a long time pressed the dominions to make a greater contribution to imperial defence and the government's response to the New Zealand offer was seen as counter-productive and much criticised. Under pressure to harness the upsurge in imperial sentiment in the dominions which had followed the naval crisis the government decided to convene a supplementary imperial conference solely on defence. The invitations were issued at the end of April.

The Pacific fleet programme was the result of the Admiralty having gained a number of 'windfall' dreadnoughts at a time when they were under pressure to reinforce Britain's naval strength in the Far East. The first mention of the Pacific fleet is in a secret Admiralty memorandum dated 13 July 1909. The best evidence for it being a sudden decision, made to exploit fortuitous circumstances, is in the correspondence of Robert Muirhead Collins. Australian Secretary for Defence, Collins was in London for discussions with Admiralty officials over the planned


74 Circular despatch by Crewe, 30 April 1909, Cd. 4948.
Australian coastal flotilla. Writing to Prime Minister Andrew Fisher early in April 1909, Collins noted the Admiralty's satisfaction with the plans for an Australian coastal defence force. The First Lord, he reported, "looks upon the torpedo boat destroyers as a good class of vessel for the local flotilla." By July, however, the Admiralty had decided to develop a Pacific fleet and an Australian coastal defence force was no longer favoured. Collins observed the change. "It is extraordinary", he wrote on 15 July, "how naval opinion has gone around in this country to favour the creation of an Australian squadron. Almost every Admiral I meet seems to be in favour of it."

The provision of surplus dreadnoughts at a time when the Admiralty was being urged to strengthen Britain's naval position in the Far East explains the 'why' and 'how' behind the Pacific fleet but it does not explain the Admiralty's sudden conversion to ocean-going dominion 'fleet units'. The decision to recommend 'fleet units' in 1909 rather than simply accepting the dreadnoughts being offered by Australia

76·Admiralty memorandum, 13 July 1909, P.R.O., Cab 38/5.

77·Collins to Andrew Fisher, 2 April 1909, N.L.A. Andrew Fisher Papers, Ms 2919.

78·Collins to Deakin, 15 July 1909, C.A.O.(C), CRS A2819.
and New Zealand was tied up with moves in Britain to find a way of securing a greater long-term involvement by the dominions in imperial defence.

From the latter decades of the nineteenth century Britain had pressed the wealthier colonies to increase their contribution to the cost of imperial defence. As Colonial Secretary, Joseph Chamberlain had pleaded with the colonial leaders for greater assistance in this expensive undertaking but to little avail. In 1904 a "large and influential deputation" organized by the Imperial federation (Defence) Committee had met with Prime Minister Arthur Balfour to impress upon him the "desirability of inviting the self-governing Colonies to take a larger share of the growing burden of Imperial defence." With the announcement of a special imperial conference in 1909 to discuss defence issues the government was again urged to seek greater assistance from the dominions even if this meant Britain making concessions to the dominion governments. "A note that wants striking hard" Lord Esher, a permanent member of the Committee of Imperial Defence

"The Times, 12 December 1904."
and one of the most influential figures in British defence circles, told Balfour in 1909,
is that Great Britain is the heritage of these people [in the dominions] as well as ours .... Relatively we grow weaker, and they grow stronger as their population and wealth increase .... Is it not time to consider what sacrifices they are ready to make. Sea-power is the base upon which the Empire rests and it should not be beyond their wit and ours to discover a practical method by which the burden of Empire can be apportioned."

Securing greater assistance from the dominions held considerable advantages for British governments. Naval forces could be increased without the recourse of increased taxation on British voters. Alternatively social welfare programmes could be expanded without the need to slash defence expenditure. The Admiralty's misgivings over the development of separate colonial navies and their desire for complete strategic control over all imperial naval forces, however, had worked against a greater involvement by the colonies in imperial defence. Deakin's plan for an Australian flotilla that was at once both 'colonial' and 'imperial' overcame many of the Admiralty's objections to separate colonial navies and cleared the way for a

substantial increase in colonial participation in the wider defence of the empire.

The one drawback to the plan, from the Admiralty's point of view, was the possibility that the dominions might not put their navies at Britain's disposal in wartime. The Admiralty at first hoped to overcome this drawback by insisting that all colonial warships automatically came under their control upon the outbreak of war. This plan, however, was rejected by the Colonial Office. "It is out of the question to ask the Dominions for any pledge to put automatically their naval forces at the disposal of the Imperial authorities in time of war", the Colonial Office had written to the Admiralty in May 1909, "... It is quite unconstitutional to ask such a pledge." Nevertheless the Admiralty could take comfort from Australian assurances that in a time of danger, "in almost every circumstance one can imagine", control of their forces would be handed over to the Admiralty. Past experience supported this, the Australian colonies

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*Admiralty to Deakin, 7 December 1907, C.P.P., 1908 session, Vol. II, No. 6, p. 3.*

*Colonial Office to Admiralty, May 1909, P.R.O., CO 537/571/17938.*

*C.P.D., 1907-8 session, Vol. XLII, p. 7518, 13 December 1907.*
almost falling over each other in their enthusiasm to support Britain in a crisis.

As pressure on the Admiralty to take a more flexible approach on dominion involvement in imperial defence mounted they began to see the wider possibilities of the Deakin proposal. Deakin had already indicated that more money would be available for a local force than the Commonwealth would ever provide by way of subsidy to the Royal Navy. "Parliament", Deakin had written to McKenna in July 1908, "will not favour a further cash payment, or at all events will not devote anything like the amount in that way that it will vote for a local flotilla and service for harbour and coast defence." Labor prime minister Andrew Fisher had also stressed Australia's preference for developing an indigenous force. In the midst of the clamour in Australia for the Commonwealth to offer a dreadnought to Britain following the lead by New Zealand, Fisher had advised London that:

Whereas all the Dominions of the British Empire ought to share in the most effective way in the burden of maintaining the permanent naval supremacy of the Empire ... this Government is of the opinion that, so far as Australia is

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83 Deakin to McKenna, 28 July 1908, N.L.A., Deakin Papers, Ms 1540/15.
concerned, this object would be best attained by encouragement of naval development in this country. *84*

The Admiralty's most important source of information on matters Australian, the Commander-in-Chief Australia Station, confirmed that more money would be forthcoming for a national navy than for a subsidy. "If spent in Australia", he wrote to the Admiralty on 28 June, "a larger naval expenditure may be expected than when sending home a money contribution." *85*

The advantages of the new concept of a joint colonial-imperial navy, combined with the realization that significant increases in colonial naval expenditure would only be secured through the establishment of indigenous navies, was at the heart of the Admiralty's 'fleet unit' proposals. Having accepted the establishment of colonial navies under the Deakin scheme the Admiralty now saw the possibility of the dominions relieving the Royal Navy of the responsibility of protecting Britain's wider interests in distant seas. "The Dominions or groups of Dominions", the Admiralty claimed in their secret memorandum of 13 July 1909,

*84* Dudley to Crewe, 15 April 1909, Cd. 4948, p. 4.

*85* Admiral Sir Richard Poore (Commander-in-Chief Australia Station) to Admiralty, 28 June 1909, P.R.O., Adm 116/1100B.
might be made responsible for the maintenance of a certain naval strength in its own sphere of interest, thus relieving the Imperial fleet of direct responsibility in distant seas. There would then be, in lieu of the Imperial Australian, Cape and North Atlantic or Pacific Squadrons, in future an Australian and New Zealand Squadron, a South African Squadron, and a Canadian Squadron (in the Atlantic and Pacific)."

As Admiral Fisher explained to Lord Esher: "It means eventually Canada, Australia, New Zealand and the Cape ... running a complete navy! We manage the job in Europe. They'll manage it against the Yankees, Japs, and Chinese, as occasion requires out there!".

While the Admiralty were delighted to have found an arrangement which held the promise of greater involvement by the dominions in the defence of Britain's wider interests the dominion governments had yet to accept the scheme. The Admiralty put forward their proposals at the imperial conference in London in August. The way in which the proposals were presented suggests that the Admiralty expected some resistance from the dominion governments. In their secret memorandum for the Cabinet, quoted above, the Admiralty had indicated their hope that in the longer term the

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**Admiralty memorandum, 13 July 1909, P.R.O., Cab 38/5.**

**Fisher to Esher, 13 September 1909, Fear God and Dread Nought, Vol. II, p. 266.**
colonies might relieve the Royal Navy of responsibility for protecting British interests in distant seas. In the memorandum circulated to the colonial delegates at the conference, however, no reference was made to this. Otherwise identical to the secret Cabinet document, this second memorandum, dated 20 July 1909, emphasized the inadequacies of a purely local flotilla and the difficulties of manning such a force and keeping it always thoroughly efficient. 

The Admiralty had good reason to anticipate a cool reaction from the colonial governments. Hitherto the colonies had been reluctant to accept responsibility for imperial defence beyond the defence of their immediate interests. As George Reid had pointed out at the 1897 colonial conference, while the colonies would be willing to come to Britain's aid in an emergency, in peacetime they viewed the defence of Britain's wider interests as a British responsibility. The initial reaction from the colonial delegates was indeed cool. Australia was represented by Colonel J.F. Foxton, Minister without Portfolio in the Deakin government.

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89 See above Chapter Two.
"The proposal", Foxton explained, having listened to the outline of the fleet unit idea,
is a very desirable one from the Imperial point of view, especially when it is borne in mind that the Australian fleet unit when complete as a purely Australian unit and provided entirely by Australians, would always act in co-operation with the two smaller units, which together would form an Eastern Fleet and so give great strength to the Imperial Fleet in Eastern waters." 88

But, Foxton suggested, "our immediate local needs would perhaps be better met, irrespective of the Imperial question, by a larger number of vessels of a smaller type." 81

Captain Creswell, Foxton's naval adviser at the conference, was likewise wary of the Admiralty's proposals. Accustomed to hostility and opposition from the Admiralty, Creswell had developed the case for an indigenous coastal defence flotilla. "There is no need for the purchase of a complete fleet of battleships, cruisers &c., the navy of a 'second-class power'"", he had argued in 1905, "but only for the provision of

88. "Imperial Conference 1909: Notes of Proceedings of Conference at the Admiralty, Tuesday, 10 August 1909", P.R.O., Cab 18/12A, p. 5.

special vessels, in this case Torpedo craft, to carry out a special duty. Creswell suspected hidden motives behind the Admiralty's fleet unit proposal and feared its adoption would prevent the development of a naval infrastructure in Australia. The Australian government, he claimed, wanted to develop a fresh centre of naval strength in Australia. They wanted to build their own ships and produce locally all the essentials of a naval force. Australia's naval power, he suggested, would benefit more in the long term by money being spent on setting up naval schools and gun factories rather than on the construction of a dreadnought battle cruiser.

Confronted with this unenthusiastic response the Admiralty began to press the Australian delegation to agree to their fleet unit proposal. "The question", Reginald McKenna explained, "was ... whether the Commonwealth Government would organize their naval forces in such a way that they would be able to afford us some assistance in war, or whether they would leave the whole burden of Imperial defence to be borne by the

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"Imperial Conference 1909: Notes of Proceedings of Conference at the Admiralty, Tuesday, 10 August 1909", P.R.O., Cab 18/12A, p. 6."
British Admiralty." McKenna drew attention to Australia's geographic isolation. He pointed out that by 1915, when the Anglo-Japanese Alliance was due to expire, both the Japanese and German fleets would be very large. If the Anglo-Japanese Alliance were not renewed, he claimed, Australia could be in a very dangerous position. "The burden of armaments", McKenna stated, leaving Foxton under no illusions as to the consequences of Australia rejecting the Admiralty's scheme, "was falling with increasing weight upon the British government, and the Admiralty might not be able to continue indefinitely to bear the burden of the heavy responsibilities now laid upon them for the naval defence of the Empire." 

McKenna's thinly veiled threat was reinforced by Admiral Fisher. "The Australian Squadron, as at present constituted", the First Sea Lord explained, "provided a naval force of little value for Imperial defence. In view of the heavy burdens thrown upon the Admiralty by the increase in the number of first class naval powers, they cannot afford to maintain squadrons except for the purposes of war." The crisis, according to Fisher, was expected to come in four or five years time.

"Ibid.
"Ibid.
Dreadnought battle cruisers took two years or more to build. It was imperative, he claimed, that Australia immediately commence construction of a battle cruiser as the citadel around which the smaller vessels could operate. Small vessels by themselves, Fisher claimed, were a source of weakness rather than an addition to the naval strength of the empire. "It would probably be necessary", Fisher argued, "to detach Indomitable[s] [the class of dreadnought battle cruiser the Admiralty was recommending Australia build] to the Australian Station to save the small craft from destruction by the more powerful hostile cruisers." In view of the impending crisis, Fisher implied, such assistance might not be forthcoming and without her own battle cruiser small vessels operated by Australia would be quickly destroyed leaving her exposed to enemy attack.

In the face of such pressure Foxton and Creswell accepted the fleet unit proposal. The case for destroyers and torpedo craft, Foxton wrote to Deakin, "fell to pieces" when confronted with the Admiralty's arguments. Australia agreed to construct a fleet unit comprising a dreadnought battle cruiser, three unarmoured cruisers, six destroyers and three

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*Ibid, p. 5.*


*Foxton to Deakin, 13 August 1909, N.L.A., Deakin Papers, Ms 1540/15.*
submarines as well as necessary depot and supply ships. The initial cost of establishing this unit was estimated at £3,700,000 with an annual maintenance cost of £600,000. Following claims by Foxton that, though the Commonwealth had offered a dreadnought to Britain they had not anticipated maintaining the vessel, the British government agreed to contribute £250,000 annually toward the upkeep of the force in lieu of the present costs of the Australia Station. This British subsidy apart, the arrangement was, as Foxton had noted, a very favourable one from the imperial point of view. One need only glance at a table of Australian defence expenditure to confirm this. In 1909 Australian expenditure on naval defence was £329,739. By 1910, following the decision to construct a fleet unit, it had jumped to £1,465,034, an increase of nearly four hundred and fifty per cent.

While Foxton had accepted the proposal to construct a fleet unit to form part of a new Pacific fleet he resisted renewed attempts by the Admiralty to secure automatic control of Australian naval forces at the

108 Cd. 4948, p. 22.

101 "Imperial Conference 1909: Notes of Proceedings of Conference at the Admiralty, Tuesday, 10 August 1909", P.R.O., Cab 18/12A, p. 6. The British offer to contribute toward the cost of the squadron was subsequently declined.

102 See Appendix B.
outbreak of war. In their 20 July memorandum distributed to the dominion representatives at the conference the Admiralty had claimed that; "It has been recognized by the Colonial Governments that in time of war the local naval forces should come under the general directions of the Admiralty."\(^3\) The dominion governments, however, had not agreed to an automatic takeover of their forces at the outbreak of war and Foxton told McKenna and Fisher that such a requirement "would be regarded with some degree of objection in Australia."\(^4\) The Admiralty responded by demanding that, should the Australian unit not be placed under their authority in war, they have the right to recall all non-Australian personnel.\(^5\) Despite this pressure Foxton remained insistent that the final decision must rest with the Commonwealth government though, after consultation with Deakin, he reaffirmed earlier assurances by Australia that it was certain the vessels would be placed under Admiralty control in an emergency.\(^6\)

\(^3\) Admiralty memorandum, 20 July 1909, op. cit., p. 23.

\(^4\) "Imperial Conference 1909: Minutes of the Proceedings of the Imperial Conference", P.R.O., Cab 18/12A, p. 45.

\(^5\) Foxton to Deakin, 23 August 1909, N.L.A., Deakin Papers, Ms 1540/15.

\(^6\) Deakin to Foxton, 19 September 1909, Ibid.
The pressure brought to bear on the Australian delegation in 1909 far exceeded that applied by Britain at previous conferences. Though not openly stated, McKenna and Fisher had clearly implied that if Australia failed to undertake the construction of a complete 'fleet unit' the Admiralty would not be willing to guarantee Australian security in war. This was a marked contrast from the 1907 colonial conference. At that meeting Lord Tweedmouth had stated:

We gladly take all that you can give us, but at 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.\textsuperscript{107}

Precisely why such pressure should have been brought to bear on Australia in 1909 can only be speculated upon. It seems likely, however, that it was closely connected with the Pacific fleet programme. The Admiralty was under pressure in Britain both to find a way of involving the dominions more widely in imperial defence and to reinforce Britain's naval forces in the Far East. In 1909 a series of serendipitous events had provided them with a means of achieving these goals. These circumstances might never be repeated and the

\textsuperscript{107} Cd. 3523, p. 129.
Admiralty, and in particular Admiral Fisher, were determined not to let the opportunity slip by. A hint of Fisher's jubilation over what might be achieved is to be found in his letter to Gerard Fiennes. Having written of "that great Pacific Fleet, which is to be in the Pacific what our Home Fleet is in the Atlantic and North Sea", Fisher had some advice for the naval writer. "Don't go blazing away at a want of something that is truly coming", he warned, "but you can 'cocker it up' by judicious phrasing to keep our Pacific children to their task."

The period from the 1907 colonial conference to the 1909 imperial conference was immensely significant for Australian naval defence. In 1907 Australian navalists were finally permitted what they had long wanted - a local naval defence force. But it soon became apparent that British and Australian hopes for this force were very different. After initial reservations, however, the Admiralty came to see the imperial advantages of Deakin's proposal for a flotilla that was both Australian and a part of the Royal Navy and embraced it to an extent far beyond Deakin's original thinking. It seems certain that this new concept of colonial navies

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was an important factor in the Admiralty's decision to recommend ocean-going fleet units to the dominions 1909. The Admiralty believed they had finally hit upon an arrangement which would encourage greater colonial participation in the defence of wider imperial interests in a way which did not compromise their overall control of imperial naval strategy.

The commitment by Australia to establish a fleet unit around a dreadnought battle cruiser was a notable success for the Admiralty. As part of a new Pacific fleet it meant the reassertion of British power in the Far East while in the longer term the Admiralty hoped it would set the pattern for the dominions relieving the Royal Navy of the responsibility of defending British interests outside of British waters. In persuading Australia to embark on the construction of a fleet unit the Admiralty had brought considerable pressure to bear. Whereas the Admiralty were prepared to rely upon the United States, with its Anglo-Saxon background and population, not challenging British interests in the western hemisphere they were less willing to do so for Japan in the Far East. The breathing space in the naval race with Germany that had followed in the wake of the 1908 dreadnought scare provided what could well be the last opportunity for the Admiralty to shore up Britain's position in the Far
East. Realizing this they were not prepared to lose the chance through Australian reservations.

Events, however, were to prove that in their commitment to establishing a Pacific fleet the Admiralty had over-extended themselves. There seems little question that the commitment was genuine. It was reaffirmed in parliament in August 1909 by the British Prime Minister. Nevertheless it was not to be honoured. The Admiralty were unable to find all the ships they had promised for the Pacific fleet, undermining the value of the Australian fleet unit as a deterrent to Japanese aggression and souring relations between Britain and her Pacific dominions.

At the 1909 imperial conference the Admiralty had persuaded the Australian government to co-operate in re-establishing a British naval presence in the Pacific. A new 'Pacific Fleet' was to be developed consisting of three self-contained 'fleet units', each one comprising a dreadnought battle cruiser, three light cruisers and smaller vessels. The Australian government agreed to abandon its plans for a local defence flotilla and instead construct and operate one of these 'fleet units'. The government of New Zealand, while refusing to participate in a joint naval programme with Australia, had agreed to provide the battle cruiser flagship of another 'fleet unit'. The Admiralty had achieved less success with Canada. Originally they had hoped the Canadians would, like Australia, provide a complete 'fleet unit' to be based on Canada's west coast. The Canadian government, however, had refused to participate in the Pacific Fleet scheme. They argued that a navy based on only one coast would be unacceptable to the majority of Canadians and decided instead to develop local defence
forces stationed on both their Atlantic and Pacific seabords.¹

The Pacific Fleet was intended as a counter to the growing naval power of Japan following concern in British defence circles that the Anglo-Japanese Alliance, due to expire in 1915, might not be renewed. The Pacific Fleet was not intended to directly engage the Imperial Japanese Navy. Rather, as the First Lord of the Admiralty had explained at the 1909 imperial conference, the three Pacific fleet units, when combined, were to be capable,

of so restraining the operation of any possible enemy that we should have, in the event of war, ample time to reinforce our Pacific Fleet by our Mediterranean Fleet and, if necessary, by our Atlantic Fleet.²

Only the Australian fleet unit, however, was to be completed. From 1910 the Admiralty came gradually to realize that their plans to reinforce the Pacific could not be achieved. In part this was because of an unexpected acceleration in German naval construction, but also because of continuing pressure in Britain to contain naval expenditure combined with a failure by the Admiralty to take into account the availability of

¹. Preston, op. cit., p. 393.

²."Imperial Conference 1909: Minutes of the Proceedings of the Imperial Conference", P.R.O., Cab 18/12A, p. 64.
the small ships, especially the light cruisers, when formulating the Pacific Fleet proposals in 1909. With the collapse of the Pacific Fleet programme Britain gradually abandoned the Pacific. It was not until 1945, after the defeat of Germany in the Second World War, that a British Pacific Fleet was re-established.

The Pacific Fleet scheme had been hastily put together by the Admiralty. The 1908 naval crisis had yielded additional dreadnoughts and offers of assistance from the dominions which the Admiralty were eager to capitalize upon. The haste with which the Pacific Fleet scheme had been put together, however, had left no time to work out the legal and organizational arrangements associated with the establishment of ocean-going colonial navies. In 1910, with Australia proceeding with the construction of its 'fleet unit', the Admiralty moved to clear up questions over the operation and legal status of dominion fleets.

In January 1910 the Admiralty wrote to the Colonial Office urging the establishment of an inter-departmental committee to consider the status of dominion warships. Three problems, they claimed,
needed to be settled. The first was the international status of dominion warships when outside dominion waters in peacetime. The second was the extent to which British legislation was required in this regard. The third concerned the application of a uniform system of naval discipline throughout the dominion navies. Reaching agreement on these questions, the Admiralty stressed, was of "urgent importance."

In the previous chapter it has been argued that Deakin's proposal for a joint imperial-colonial squadron, once its advantages had been recognized by the Admiralty, played an important part in their decision to recommend ocean-going fleet units in 1909. The Admiralty's submissions to the Inter-Departmental Committee on the Status of Dominion Ships of War, established in July 1910, lend weight to the thesis. From the outset the Admiralty's principal objective was securing control over the new dominion navies. They pressed vigorously for a recommendation favouring the establishment of a "United Imperial Navy" under which dominion ships and seamen would be part of the Royal Navy and upon leaving local waters subject to complete Admiralty control. "Unless a policy of intimate

4. Admiralty to Colonial Office, 8 July 1910, P.R.O., Adm 1/8122.

5. Ibid.
association with the Royal Navy is pursued", the Admiralty argued, "the Empire as a whole will gain little from the establishment of dominion Naval Forces."

Central to the Admiralty's attempts to achieve a "United Imperial Navy" was the universal adoption of the British Naval Discipline Act throughout the dominion fleets. Legal opinions, sought by the Admiralty, suggested that under the Colonial Naval Defence Act of 1865 colonial warships serving in the Royal Navy would be regarded in law as "one of His Majesty's ships in commission". Officers and men aboard such vessels, however, would not be covered under the British Naval Discipline Act and therefore would not be regarded as "persons in or belonging to His Majesty's Navy." The Admiralty was dissatisfied with the provisions for naval discipline contained in existing Australian legislation. The existing Australian Defence Acts, the Admiralty claimed, provided for a naval disciplinary code of a "far less stringent character

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Law Office to Admiralty, 13 June 1911, in O'Connell and Riordan, op. cit., p. 186.
than is considered necessary for the effective maintenance of discipline in the Royal Navy."

A single system of naval discipline would make co-operation between colonial and British warships easier and simplify the inter-change of personnel. It would also consolidate the Admiralty's control over colonial warships once they had left colonial waters. As the Admiralty explained:

"unless there is some sanction which the Imperial Government can enforce, there is no means by which the personnel of the new mobile forces ... capable of voyaging anywhere, can be punished in the event of want of compliance with the orders of the central Government."

Moreover, the Admiralty's legal advice suggested that the dominion legislatures did not possess the power to create a system of discipline for their naval forces which they could enforce outside their territorial waters. Colonial seamen, though aboard warships commissioned into the Royal Navy, would therefore not be covered either by the British Naval Discipline Act or by the Naval Discipline Act of their respective Dominion. This situation acutely reflects the

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9 Ibid.

10 Law Office to Admiralty, 13 June 1911, in O'Connell and Riordan, op. cit., p. 186.
uncertain legal position of the dominions at the time, existing midway between colonies and fully independent nation states.

The Inter-Departmental Committee accepted the Admiralty's arguments. Its final report recommended the establishment of a 'united imperial navy' and the universal application of the British Naval Discipline Act. Consideration had been given to other arrangements. The creation of completely independent dominion fleets, the equivalent of the navies of independent nation states, and auxiliary dominion fleets, where the British Naval Discipline Act would only come into force once the ships had left dominion waters, was examined. These were rejected, however, because of legal difficulties or because they did not allow for a close association with the Royal Navy.11 The crucial factor determining the Committee's final recommendation seems to have been the continuing responsibility of the British government for the foreign affairs of the whole empire. "While the Dominions", the Committee concluded,

should not either in peace or war be under an absolute obligation to permit active use of their ships, the Imperial Government should possess, both in peace

and war, effective means of precluding any action as in their opinion would effect foreign relations.\textsuperscript{12}

In wartime, the Committee decided, "this would involve the acceptance by the Dominion Governments of the principle that their naval forces would not take any action whatever without the approval of the Imperial Government, other than measures of self-defence within their own territorial waters."\textsuperscript{13}

The recommendations of the Committee were embodied in a confidential memorandum for circulation to the dominion governments. The memorandum referred only to the 'united imperial navy' proposal. No mention was made of the other arrangements which the Committee had considered. This was in keeping with the wishes of the Colonial Secretary, who had instructed the Committee that only one arrangement be offered to the dominions, leaving them to object if they wished.\textsuperscript{14} The memorandum made a strong case for a 'united imperial navy' and the universal operation of British naval discipline. "The proposed establishment of naval forces by the Dominions", it explained, "is unique, and there is no precedent in history to which an appeal can be made in

\textsuperscript{12} Ibid.

\textsuperscript{13} "Memorandum on the Status of Dominion Ships of War", August 1910, P.R.O., Cab 17/48.

\textsuperscript{14} Ibid.
determining their status." It stressed, however, that as questions of international relations and of peace and war remained the responsibility of the imperial government, "therefore Imperial control over the Dominion naval forces in some form [was] unavoidable." Furthermore, the report argued, the presence of British personnel aboard dominion vessels and the need for close co-operation with the Royal Navy made homogeneous discipline essential.

The memorandum became the basis of discussions with the dominions. In Australia the main objection to the proposal centred on the application of British naval discipline. The Commonwealth took the view that Commonwealth laws had full force on their ships even when they were outside Australian territorial waters. The Admiralty, however, remained insistent that existing Australian legislation was insufficient for maintaining a high state of discipline and efficiency in sea-going ships. As Australia lacked the resources to man the squadron without the loan of personnel from

16. Ibid.
18. Ibid.
17. Ibid.

"Remarks on the Memorandum of the Admiralty re Naval Defence", 10 February 1911, C.A.O.(M), MP 153/11. Note that this view was not shared by the British Law Office.
the Royal Navy, the Admiralty had the whip hand. They made it clear that they would not lend personnel to the Commonwealth unless they were fully satisfied with the disciplinary code in the ships. Australia was left with no alternative but to accept the application of the British Naval Discipline Act. "The solution proposed", Captain Creswell wrote of the arrangement outlined in the British memorandum to the Minister of Defence in February 1911, "is probably the only one possible that both meets [the] ... international difficulties and gives the Dominion Government a free hand to the limit of its political status and capabilities."

In seeking parliamentary sanction for the development of an ocean-going Australian 'fleet unit' and the very substantial increase in expenditure this involved, Joseph Cook, Minister for Defence in the Deakin government, had laid great emphasis on the threat posed by Japan and the role the Australian unit would play as part of the British force which would counter this


20. Creswell to George Pearce (Minister of Defence), 8 February 1911, C.A.O.(M), MP 153/11.
threat.\footnote{C.P.D., 1909 session, Vol. LI, pp. 3607-3636, 21 September 1909.} The fleet unit idea, after all, had been sold to Australia largely on this understanding. At the 1909 conference the First Lord of the Admiralty had drawn attention to the long-term problems created for Britain and her dominions by the rise of Japanese sea power in the Far East. Australia's representative at the conference, Colonel Foxton, had been led to believe that Australia's fleet unit would be one of three identical formations replacing the three existing Royal Navy squadrons in the Pacific.\footnote{J.F. Foxton, "The Evolution and Development of an Australian Naval Policy", Commonwealth Military Journal, November, 1911), p. 666.} It was by establishing a 'fleet unit' as part of Britain's new Pacific Fleet, the First Lord of the Admiralty had assured Foxton, that Australia "would be able to co-operate most materially in solving the whole problem of Far Eastern defence."\footnote{"Imperial Conference 1909: Minutes of the Proceedings of the Imperial Conference", P.R.O., Cab 18/12A, p. 64.}

As early as January 1910, however, questions were being raised inside the Admiralty as to whether Britain would be able to provide all the ships which had been promised to form the new Pacific fleet. At this stage...
Admiral Fisher, as his letter to Gerard Fiennes indicates, was still confident that the new fleet would be created. Fisher's confidence appears to have rested on the provision of the dreadnought battle cruisers. As Australia and New Zealand were each providing a battle cruiser only a single vessel would have to be found by Britain. Barring a sudden increase in German construction, the additional ships ordered under the 1909-10 programme would enable the Royal Navy to provide the third battle cruiser for the Pacific fleet. But the provision of the small ships, the cruisers and destroyers, was another matter. It was the shortage of these vessels which concerned the Director of Naval Intelligence. Under the 1909 agreement each 'fleet unit', apart from a battle cruiser, was to contain three new Bristol class light cruisers, six destroyers and three submarines. As New Zealand was providing only a battle cruiser, this meant that six cruisers, twelve destroyers and six submarines would have to be provided by Britain. How, asked the Director of Naval Intelligence in January 1910, with the Royal Navy distributed for a European war, could these ships be spared for service in the Pacific.

24 Fisher to Gerard Fiennes, 14 April 1910, op. cit.
26 Ibid.
The Admiralty appreciated that a failure to meet their obligations under the 1909 naval agreement was likely to sour relations with the Pacific dominions. In a minute appended to the D.N.I.'s memorandum, the Secretary of the Admiralty, Graham Greene, while arguing that the present situation did not require the immediate implementation of the Pacific fleet plan, recommended that the Admiralty maintain their forces on the East Indies and China Stations at a level equivalent to the combined strength of the two proposed fleet units. A failure to do so, he warned, would be seen by Australia and New Zealand as "a want of faith on the part of the Admiralty." 27

Apart from damaging relations with the dominions, a failure to establish the Pacific fleet would have implications for the defence of Britain's possessions in the Far East. As we have seen above, the plan to reinforce the Royal Navy in the Pacific had resulted from concern in British defence circles over the security of Britain's Far Eastern interests after the expiry of the Anglo-Japanese Alliance in 1915. In casting doubt upon the Admiralty's ability to fulfil their 1909 promises the Director of Naval Intelligence accepted that if the Anglo-Japanese Alliance did lapse

27 Minute by Graham Greene (Secretary to the Admiralty), 4 February 1910, P.R.O., Adm 116/1270.
then a larger force in the Pacific would be required. In the circumstances the only course he could recommend was for the alliance with Japan to be extended. 28

The difficulty of Britain's position in regard to Pacific defence was summarized by Sir Charles Ottley. A former Director of Naval Intelligence, Ottley was Secretary of the Committee of Imperial Defence. A sub-committee of the C.I.D had been established to oversee the preparation of defence-related information for an imperial conference due to be held in mid 1911. In January 1911 he wrote to Sir Arthur Nicolson at the Foreign Office inquiring as to the likelihood of the Anglo-Japanese Alliance being renewed. "At present", he explained,

we maintain only a small naval force in the Far East, relying on our alliance with Japan .... The Admiralty will, I expect, require ample warning if [the alliance is not to be renewed] for it is very desirable to effect the strengthening of the Far Eastern Fleet gradually so as not to make the change of policy conspicuous. One may well imagine too that the reinforcement of our China Fleet to

Ottley did not specifically mention the Pacific Fleet, which was due to be in place by 1913 in readiness for the expiry of the alliance, but his reference to the need for an increase in the naval building programme, and the exclamation mark which followed it, perhaps suggest that he suspected the fleet was not likely to be ready by the promised date.

Far from planning an increase in naval construction to cover their commitment to reinforce the Pacific the Liberal government was hoping to reduce naval expenditure. At a cabinet meeting on 1 March 1911 a number of cabinet members including David Lloyd George (Chancellor of the Exchequer) and Winston Churchill argued that "considerable economies could, with perfect safety, be effected in the present Naval Expenditure on..."


Ottley to Sir Arthur Nicolson (Permanent Secretary of State for Foreign Affairs), 15 January 1911, P.R.O., Cab 17/74. The Japanese were already showing considerable interest in Britain's 1909 pledge to reinforce the Pacific. The Japanese attache, the Secretary to the Admiralty minuted, had called "once or twice at the Admiralty to enquire to the effect of the [Pacific fleet] scheme ...... upon the strength of the British fleet in China waters." Minute by Graham Greene, 14 February 1910, P.R.O., Adm 116/1270.
the Mediterranean, China and Pacific squadrons."

Indeed, with the aim of reducing the estimates in mind, Churchill had written to Lloyd George and Lord Crewe in February proposing that the Australian and New Zealand battle cruisers be retained in the North Sea. If these ships could be secured for service in the North Sea, Churchill claimed, then Britain need lay down only four new dreadnoughts in 1911 and four in 1912 rather than the five vessels planned for each of those years, a saving of £1,500,000 a year. Such proposed economies, reflecting domestic political concerns, indicate how lightly Britain took her pledge to re-establish British sea power in the Pacific.

With the Pacific fleet most unlikely to be ready by 1913 the only alternative Britain had, other than admitting inability to defend her interests in the Far East, was to extend the Anglo-Japanese Alliance. Apart from the question of how else British interests in the Far East could be protected, there was a diplomatic motive for seeking the early renewal of the alliance with Japan. The alliance was viewed with suspicion by the United States which feared that it might lead to


Britain siding with Japan in a war against the United States. The Foreign Secretary (Sir Edward Grey) wanted to seize the opportunity afforded by an early renewal of the alliance to include in the treaty a clause which would prevent the alliance being invoked against a country with which either party had an arbitration agreement. At the time Britain was negotiating an arbitration agreement with the United States and Grey hoped such a clause would allay American concerns about the alliance.\textsuperscript{32}

The early renewal of the Anglo-Japanese Alliance, however, would not be popular with the dominions, especially Australia. Many Australians already regarded the alliance with Japan as a poor substitute for a strong British fleet in the Pacific, and were not likely to be pleased by its extension in lieu of a promised reinforcement of British sea power there. Anticipating a hostile reaction from the dominions, Ottley recommended that they should be consulted before any public announcement of renewal was made. "Frankly", he told Sir Arthur Nicolson, "I dread any sort of discussion with our brethren in Australasia on these delicate and secret topics .... But - on the other hand - the last thing wanted is a howl from Australia and

\textsuperscript{32} See Nish, \textit{Alliance in Decline}, chpts. 3-4.
Canada, if and when the British Government decide to renew the alliance."  

Faced with the need to renew the alliance with Japan in lieu of the compact, made only two years earlier, to strengthen the Royal Navy in the Pacific, the British government elected, in the words of one writer, to "play fast and lose" with the self-governing dominions at the 1911 imperial conference. The initial British strategy seems to have been to downplay the level of threat to Australia and New Zealand while studiously avoiding any reference to the promised Pacific fleet. In a re-assessment of the "Principles of Imperial Defence" prepared by the Overseas Defence Committee for the conference the Admiralty's pledge to "protect all British territory abroad against organized invasion from the sea" was repeated though there had been a dramatic deterioration in Britain's strategic position since 1896 when this declaration had first been made. It was admitted, however, that, due to

33. Ottley to Nicolson, 15 January 1911, P.R.O., Cab 7/74.


35. O.D.C. memorandum 417M, "General Principles Affecting the Oversea Dominions and Colonies", 7 July 1910, P.R.O., Cab 8/5. The Colonial Defence Committee had recently been re-named the Overseas Defence Committee.
Britain's relative decline among the naval powers, the navy might be "temporarily" unable to send reinforcements to the Pacific though how long this might be was left unexplained.  

Perhaps because there could be delays in sending reinforcements to the Pacific in the event of war local defences were now acknowledged as being of value. The tone of the O.D.C. memorandum, however, had much more in common with statements made by Lord Tweedmouth at the 1907 colonial conference than it did with the picture of Pacific defence the Admiralty had presented in 1909. No reference was made to the Pacific Fleet or to the ocean-going 'fleet unit' the Admiralty had urged upon Australia in 1909. "The result of the establishment of ... local navies", it explained, "will be ultimately to relieve the Admiralty from the responsibility of maintaining ships in certain waters in the immediate neighbourhood of these Dominions." This was a notable change of wording from the Admiralty's memorandum of 13 July 1909 which stated that ocean-going dominion navies might ultimately relieve the Imperial fleet of direct responsibility in

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\[^{36}\textit{Ibid.}\]

\[^{37}\textit{Ibid. (My italics).}\]
"distant seas".\textsuperscript{38} Ominously for Australia, the upshot of "local navies" would be to "permit a further development of the policy of concentration".\textsuperscript{39}

In a companion document the comparative security of Australia was emphasized. "It is not reasonably probable", it was stated in a re-affirmation of the C.I.D.'s 1906 assessment of Australian defence requirements, "that any military attack on Australia more formidable than a raid by a small landing force will be undertaken."\textsuperscript{40} The only power considered to be within striking distance of Australia was Japan and attack from this direction was regarded as unlikely because of the Anglo-Japanese Alliance. If Japan did go to war with Britain, attacks on Australia were still considered "highly improbable" as long as Britain retained ultimate command of the sea.\textsuperscript{41}

Such reassurances, though perhaps expedient from the Admiralty's point of view given the question mark hanging over the Pacific fleet, did not sit well with the Chief of the Imperial General Staff, General Sir

\textsuperscript{38} See above chapter four.

\textsuperscript{39} O.D.C. memorandum 417M, \textit{op. cit.}

\textsuperscript{40} O.D.C. memorandum 429M, "Australia: Scale of Attack Under Existing Conditions", 9 January 1911, P.R.O., Cab 8/5. A similar assessment was prepared for Canada.

\textsuperscript{41} Ibid.
William Nicholson. At a meeting of the Committee of Imperial Defence on 26 January 1911 Nicholson pointed out that in 1909 Australia had been urged to reorganize and strengthen her military forces. By minimizing the threat to Australia, Nicholson claimed, Britain was discouraging this development. Nicholson had a vested interest in promoting military preparations in the dominions. With the General Staff committed to supporting France in a European war the dominions were regarded as a vital reserve of manpower for Britain. Nicholson asserted that the relative immunity from attack supposedly enjoyed by the Pacific dominions was "based upon a naval situation which no longer existed." The British fleet", he stated, "is no longer supreme in all waters" and to support his case he reminded the C.I.D. that the Admiralty had already admitted to the loss of sea command in the waters of North America. The situation in the Pacific, Nicholson suggested, was similar. "If we should find ourselves in a war with Japan", he argued,

the attitude of Germany being uncertain or hostile, we might be forced to maintain a fleet in European waters so strong that it was very doubtful if we should be in a position immediately to dispatch naval reinforcements to Far Eastern waters

42 C.I.D. minutes, 108th meeting, 26 January 1911, P.R.O., Cab 2/2.
43 Ibid.
sufficient to enable us to assert our superiority over the fleet of Japan.44

In a recent article Robert Gowen has claimed that Nicholson's criticisms in the C.I.D. of the initial papers prepared for the conference paved the way for British deception and misrepresentation in 1911. Nicholson, Gowen argues, became the central figure in a campaign to exploit the 'Japanophobia' widespread in the dominions, especially Australia, in order to secure dominion endorsement for the renewal of the Anglo-Japanese Alliance and the continuation of dominion defence preparations which were to prove so valuable to Britain in the First World War.45 Nicholson was motivated by vested interest. His particularist concerns were clearly revealed in a later memorandum in which he argued that "less urgent or immediate importance attaches to the defence by the Navy of India and the Dominions .... [because] the danger can to a great extent be guarded against by the existence of local military forces."46 Nevertheless his criticisms had validity. The Admiralty had tacitly admitted that, in the event of a crisis such as had been premised by Nicholson, Britain would indeed find it difficult to send reinforcements to the Pacific leaving her

44. Ibid.

45. Gowen, op. cit., p. 399.

46. Nicholson, "Memorandum on the Strategic Relations Existing Between the Oversea Dominions and India", 29 March 1911, P.R.O., Cab 38/17.
possessions there exposed to attack. This was even more the case now the planned Pacific fleet had fallen through. Moreover Nicholson's criticisms had highlighted Britain's dependence upon the Anglo-Japanese Alliance, not just to protect her interests in the Far East from attack by a third party, but as a restraint upon Japan attacking British interests there.

Nicholson's colleagues at the C.I.D. accepted the point he was making, especially in regard to the Anglo-Japanese Alliance. R.B. Haldane, the Secretary of State for War, though claiming that Australia's strategic position had not changed since 1905, did admit:

that a determination of the Anglo-Japanese Alliance would have far-reaching effects, and as changes in the strategic situation would probably develop more rapidly than either military forces could be organized or defence works constructed, it was desirable that the Commonwealth Government be encouraged to proceed with measures required to meet a situation which might arise in a few years time. 47

Churchill and Grey agreed and the Committee finally recommended that the memorandum be re-drafted for the conference. A paragraph was to be added stressing that the assessment of a threat to Australia limited to a

47. C.I.D. minutes, 108th meeting, 26 January 1911, P.R.O., Cab 2/2.
raid by a small landing force was based upon the assumption that the Anglo-Japanese Alliance was in existence. References to the situation that might arise if the alliance was allowed to lapse were also to be removed in favour of a general statement explaining that its termination would "profoundly modify" the strategic situation in the Pacific.  

A second paper, "Australia and New Zealand: Strategic Situation in the Event of the Anglo-Japanese Alliance Being Determined", was produced specifically for the Pacific dominions. This document emphasized the danger of Japanese aggression to Australia and New Zealand should the Anglo-Japanese Alliance be terminated. "Although the Anglo-Japanese Alliance", the paper explained, "gives a considerable measure of security to Australia and New Zealand, it must be remembered that changes in the political and strategic situation may occur more rapidly than naval and military forces can be organized and brought to a state of efficiency." Should war occur between Britain and Japan, then Australia and New Zealand could be exposed to Japanese attack before British reinforcements could

48 Ibid.
50 Ibid.
be sent to the Pacific. While an outright invasion of Australia or New Zealand was regarded as "highly improbable", it was claimed the Japanese might launch massive raids in order to upset British strategy. Australia and New Zealand, the paper argued, should develop their defence forces "without delay" for the likelihood of raids would be in inverse proportion to the "strength and efficiency of the local naval and military forces."  

"Australia and New Zealand: Strategic Situation in the Event of the Anglo-Japanese Alliance Being Determined" urged Australia embrace the naval programme proposed by Admiral Sir Reginald Henderson, in a report on Australia's naval defences completed only on 1 March 1911. Formerly Commander of the British Coastguard and Reserves, Henderson had been invited by the Commonwealth government to consider the location of Australia's naval bases, the location and organization of training schools, and "any other Naval matters upon which you may care to express an opinion".  

Making the most of his terms of reference Henderson produced a scheme for the development of the Australian navy over

61 Ibid.
a period of twenty-two years. In four "eras" (the first of seven years, the remainder of five years) he proposed Australia acquire a fleet of eight battle-cruisers, ten light cruisers, eighteen destroyers, twelve submarines and four depot and repair ships. The completed fleet, he estimated, would cost £23,290,000 to construct and when full manned require a personnel of approximately 15,000 men.  

The scale and cost of the navy outlined by Admiral Henderson startled many Australians. Even the Melbourne Age, for long a champion of naval development, baulked at the "vast expenditure" entailed. The Minister for Defence, George Pearce, committed his government to only the initial stage of the scheme, a seven year programme from 1911 to 1918 which involved little more than the development of the fleet unit already under construction and the shore facilities necessary to support it. Beyond this action on Henderson's proposals was deferred and with

53. Ibid.
54. Feakes (a contemporary observer), op. cit., p. 154.
55. Melbourne Age, 6 March 1911.
56. C.P.D., 1911 session, Vol. LXII, pp. 2378-2379, November 1911. Even this stage was not carried out in full, many of the shore facilities Henderson had recommended not being completed. Jose, op. cit., p. xxxvi.
the outbreak of the First World War they were forgotten altogether. Likewise historians have for the most part dismissed Henderson's recommendations in a few lines with adjectives such as "bold", "ambitious" and, less charitably, "grandiose". Yet in fairness to Admiral Henderson, while his proposals involved a substantial increase in naval expenditure, they were based upon appropriations which he believed were not unreasonable for a nation like Australia if truly serious about its naval defences. If Australians, he calculated, spent proportionally as much as Britain on naval defence then in 1910 the naval budget for the Commonwealth would have been £4,000,000 as against the £1,500,000 actually provided. Moreover, Henderson argued, the higher figure was justified on the basis of Australia's overseas trade. An annual appropriation of around £4,000,000, Henderson claimed, would be sufficient to fund the naval programme he had outlined.

Financial considerations apart, Henderson had produced a scheme which, if carried to completion, would have made Australia the greatest naval power in

the Pacific after Japan. At its heart was an acceptance that Britain could no longer be depended upon to ensure Australia's security or protect her wider interests. In the introduction to his recommendations Admiral Henderson had quoted at length the strategic position of Australia as outlined by Field Marshall Viscount Kitchener who the Commonwealth had invited in 1909 to report on Australia's military needs. Kitchener had paid only lip service to the Admiralty's long-standing claim to be able to protect all British territory against organized invasion from the sea. This assurance, he had argued, was qualified by "considerations of time and space". National considerations, Kitchener had claimed, might make it necessary for Britain to concentrate her naval forces in one theatre of operations. "It follows", he had argued, "that in seas remote from such a concentration, the British Naval Forces may find themselves for the moment inferior in force to an actual, or potential enemy. In such a situation .... some time might elapse

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50 The bulk of the United States Navy was based in the Atlantic. Though the Panama Canal was opened in 1914 the U.S. Navy was not divided into two fleets, with its most powerful units in the Pacific, until 1919. H. Sprout and M. Sprout, Toward a New Order of Sea Power: American Naval Policy and the World Scene, 1918-1922, (Princeton, 1943), pp. 96-98.
before our Command of the Sea was definitely assured in all waters."

Such a refutation of 'blue water' naval philosophy as it was explained by the Admiralty and their supporters was perhaps to be expected from a soldier and, of course, it echoed the arguments for greater military defence being advanced by General Nicholson in the C.I.D. That Admiral Henderson should have accepted Kitchener's claims almost without qualification as the basis of his recommendations to the Australian government is more significant. Henderson did add by way of a rider that Australia's security "must still rest on the Sea Power of the Empire" and he made the traditional plea for unity of control in war, but he clearly set no stead in the Admiralty's public assurances or the assumption that while the Anglo-Japanese Alliance was in force Australia was all but invulnerable to attack.

Writing from Lucerne in September 1911 Admiral Fisher, who had retired as First Sea Lord the previous year, complimented Henderson on his scheme for the development of the Australian navy. "You did a splendid piece of work in Australia", he stated, "and I have reason to believe that every single item of your report

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will be eventually carried through." Fish had recommended Henderson for the job after having himself refused the invitation to advise the Commonwealth on its naval defences. He had reservations about what could be achieved in Australia. "Kitchener and the Australians", he had told Lord Esher, "in drawing up their scheme of defence, forgot that Australia was an island". They had commenced all wrong and, Fisher explained, "it would involve me in a campaign I intend to keep clear of with the soldiers." He must have been delighted by Henderson's wide-ranging scheme, especially its plan for a core of dreadnought battle cruisers, the class of warship Fisher prized above all others.

At the imperial conference the dominion representatives were treated to an outline of selected aspects of British foreign policy aimed principally at securing their support for the renewal of the alliance with Japan. The British cabinet at first opposed discussing matters of high policy with the dominions. They eventually agreed on the condition that the meetings

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were held at the Committee of Imperial Defence where access could be limited to those dominion representatives directly concerned (prime ministers and ministers for defence) and the press excluded. The establishment of a separate Australian navy, and the prospect of a much more substantial force being developed, Neville Bennett has argued, was a key factor behind this decision. "For Britain a spectre arose," he writes. "Conceivably while she was engaged in a life-or-death struggle with Germany, Australia's large forces might idle in the Pacific zealously watching Japan which was Britain's ally."

The most important part of Sir Edward Grey's survey was its treatment of the naval situation in the Far East and the role of the Anglo-Japanese Alliance. "If it [the Anglo-Japanese Alliance] came to an end", Grey explained, ".... it cannot be doubted that not only would the strategical situation be altered immediately by our having to count the Japanese fleet as it now exists as possible enemies, but Japan would at once set

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to work to build a more powerful fleet than she would have if the alliance did not exist." The consequence of this, Grey continued, would be that a separate fleet would have to be maintained in Chinese waters which "would be at least equal to a two-Power standard in those waters, including in that two-Power standard counted possibly against us not only the Japanese fleet as it is at the present time, but the fleet which Japan would certainly build if we put an end to the alliance." Such a situation, the dominions were warned, would fall heavily upon them for it was they who would have to provide the increased naval forces required in the Far East.

Grey's speech swayed the dominion representatives and they endorsed a renewal of the Anglo-Japanese Alliance. Had the Australians been less overawed by their introduction to high policy, however, they may have noticed some substantial differences between Grey's speech and what the Australian delegates had been told at the 1909 imperial conference. In 1909 the Pacific Fleet plan had been described as the way of "solving the whole problem of Far Eastern defence." It

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65 C.I.D. minutes, 111th meeting, 26 May 1911, P.R.O., Cab 2/2.
66 Ibid.
was to be an alternative to the alliance with Japan. The Pacific Fleet was not intended to counter the Imperial Japanese Navy ship for ship, rather its purpose was to restrain Japanese naval operations until reinforcements could be sent from Britain. Now Grey was claiming that, if the Anglo-Japanese Alliance was terminated, a fleet equivalent to a two-power standard with Japan would need to be maintained in the Far East, and a two-power standard based not on existing Japanese forces but on those forces that Japan might construct. Moreover the Pacific Fleet itself had slipped almost unnoticed from the vocabulary of British officialdom. Grey made no mention of it. Nor was it referred to in any of the papers circulated among the dominion representatives. When the subject was raised by George Pearce (Australian Minister for Defence), in conjunction with a New Zealand request that the battle cruiser they were providing under the 1909 agreement spend a certain number of months in New Zealand waters, McKenna denied that British promises to this end constituted an agreement and hastily diverted the conversation on to the need for unity of command in war.

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**See McKenna's speech at the 1909 imperial conference quoted above.**

**C.I.D. minutes, 112th meeting, 29 May 1911, P.R.O., Cab 2/2**
In the most recent study of the 1911 imperial conference the British leadership, especially Grey, Nicholson and McKenna, have been reproached for their use of deception and misrepresentation to secure dominion conformity to British political and strategic imperatives. Britain's exploitation of the Pacific dominions' fear of Japan has been singled out for particular criticism. Yet such tactics were hardly new. The Japanese bogey had been employed very successfully by Britain in 1909 to ensure Australia adopted the Admiralty's proposal for an ocean-going fleet unit. Moreover the encouragement of dominion defence preparations was not unjustified in view of the difficulties Britain was likely to experience if it did prove necessary to reinforce the Pacific. Not that Australia needed encouragement to arm against Japan. Despite British assurances that Japan posed no threat while the Anglo-Japanese Alliance was in force Australians remained suspicious of Japanese intentions. Experience during the First World War tended to confirm Australia's misgivings far more than Britain was prepared to admit.

70 Gowen, op. cit., pp. 405-413.

71 On this see D.K. Dignan, "Australia and British Relations with Japan, 1914-1921", Australian Outlook, No. 21, (1967), pp. 135-150.
If moral judgements must be made then surely the most serious criticism that can be levelled at the British authorities in 1911 was their failure to inform Australia and New Zealand of the possibility that Britain's 1909 commitment to the Pacific fleet would not be met. Historians have generally seen Britain's failure to honoured her 1909 promises as a consequence of the supplementary German Naval Law of 1912.\(^2\) This unexpected increase in German construction caused a crisis in Britain and necessitated a further concentration of British sea power in the North Sea. But the Admiralty documents cited above indicate that by January 1910 the Director of Naval Intelligence had serious doubts about Britain's ability to meet her 1909 pledge. Moreover by 1911 there was considerable pressure both on and within the British government to reduce the size of the British fleet in the Pacific. It is clear that by the 1911 imperial conference there was, at the very least, a question mark over the future of the Pacific Fleet.

At the naval discussions at the conference McKenna and George Pearce finalized the arrangements for the operation of the Australian navy. The Admiralty's

proposals, based on the earlier discussions with Australia and contained in a memorandum carefully entitled "Co-operation between the Naval Forces of the United Kingdom and the Dominions", were tabled. McKenna initiated the discussions with an overview of British naval policy, concentrating upon the danger German naval development posed to the empire. He made no mention of Britain's commitment to establish a Pacific fleet. "There is only one great navy at this moment that could be considered as having to be taken into account when regarding the possibilities of warfare", he claimed, "and that is obviously the German Navy." 73 Explaining that "the great mass of the German fleet is stationed in the North Sea and the Baltic", he went on to state that:

the aggregate of our forces will have to be determined by the aggregate of our duty, and the aggregate of our duty is determined by the aggregate of the hostile fleets which we might have to meet." 74

As McKenna had already discounted the Japanese navy as an enemy because of the Anglo-Japanese Alliance his comments can be interpreted with the benefit of

73. C.I.D. minutes, 112th meeting, 29 May 1911, P.R.O., Cab 2/2.
74. Ibid.
hindsight as a further indication that the Pacific fleet plan had been secretly abandoned by Britain before the imperial conference met.

In considering the operation of dominion navies, McKenna proposed, it was important to "look forward to the day when .... the Dominions will be able to maintain fleets of a size commensurate with their growing power and status in the world." 76 Beneath such effusions, however, lay the Admiralty's desire for a 'united imperial navy' and control of dominion forces in war. "It has seemed to us" the First Lord ventured, "that the proper position of the Dominion Fleets from the start is one of equality with the British Fleet - that all the fleets joined together should constitute one Imperial Navy." 77 This meant that each fleet would be administered by its own separate admiralty in times of peace, but with a common standard of discipline and training so that "all the fleets, when they combine for the purpose of war, would be able to act immediately in such unity of thought and practice as a single fleet." 78

McKenna's smooth talk, however, was not sufficient to allay Pearce's concern for Australian autonomy. He

76 Ibid.
77 Ibid.
78 Ibid.
had two main fears. Firstly, he was suspicious that the Admiralty were mounting a new bid to secure automatic control of Australian forces on the outbreak of war. While repeating Australian assurances that it was "inconceivable" that the Commonwealth would not put its ships at Britain's disposal in wartime he ventured that a dominion might still co-operate with Britain while retaining control of its own fleet. "There is a feeling amongst the people of Australia", Pearce stated, voicing Australia's long-held concern for local defence, ".... that it might be if the whole of the fleet was placed at the disposal of the Admiralty, that the fleet might be withdrawn, leaving [Australia's trade] .... at the mercy of any stray cruiser which might elude the battle fleets of the Empire."  

Pearce's was also unhappy that in peacetime Australian vessels would automatically come under the authority of the Admiralty upon leaving Australian waters. He queried the need for the Admiralty to be informed whenever an Australian vessel left the waters of the Australia Station and cited a passage from "The Status of Dominion Ships of War" in which the British Commander-in-Chief was to assume command over Australian vessels outside Australian waters.  


In response to Pearce's concerns McKenna was conciliatory. On the subject of control in war, he agreed to modify the wording of the memorandum to specify that only those vessels placed under the authority of the Admiralty by the dominion government would form an integral part of the British fleet, leaving the way open for a dominion to retain direct control over some of its vessels in wartime. As for Pearce's fear that in peacetime Australian vessels would be subject to Admiralty control immediately upon leaving Australian waters, McKenna claimed that this had already been changed. Notification of the movements of Australian ships outside Australian territorial waters was only required for Foreign Office purposes. The British Commander-in-Chief would not assume control over dominion warships unless he had the approval of the dominion government (though in matters of ceremony and international intercourse the motions of the senior officer must be followed). In foreign ports the senior officer would assume command but not so as to interfere with the orders that the commanding officer of a dominion ship had received from his own government.

While Pearce's concerns led to some changes of wording the final arrangements for the operation of the Australian fleet were very much in keeping with the Admiralty's proposals. The Admiralty's desire for a

***Ibid.*
'united imperial navy' had been achieved. Australia had agreed to the application of the British Naval Discipline Act. Interchange of personnel was secured.81 While the Admiralty would not automatically assume control of dominion vessels upon their leaving dominion waters mechanisms were in place which would prevent a dominion government from using its navy in a way which might compromise British foreign policy. Outside Australian waters the commanding officer of a dominion ship was to obey "any instructions he may receive from the Government of the United Kingdom as to the conduct of any international matters that may arise, the Dominion Government being informed."82 To ensure the least chance of an international incident occurring the size of the Australian naval station was significantly reduced. Under the 1887 naval agreement, where the auxiliary squadron was limited to operations within Australian waters, the limits of the station had been widened to include much of the South West Pacific, including the islands of Fiji, Samoa and French Polynesia. Now that Australia was responsible for its


82 Ibid.
own naval squadron the limits of the station were contracted to exclude all islands not under the direct authority of the Commonwealth. 83

With the legal and administrative framework for the Australian squadron finalized the Admiralty had to decide who was to be its Commander-in-Chief. Clearly this was an important appointment. While the Commander-in-Chief would technically be employed by the government of the Commonwealth and receive his instructions from them, he would also be the Admiralty's representative in Australia. Upon him would rest responsibility for ensuring the Commonwealth did not try and sidestep the limitations they had accepted on the operation of their fleet. For all the restraints built into the agreement with the Commonwealth the Admiralty still had reservations about the operation of ocean-going warships by 'irresponsible' colonial governments. After all, the absence of any legal or constitutional authority had not deterred the Queensland government from annexing eastern New Guinea in 1883.

The man first suggested as Commander-in-Chief of the new Australian fleet was Ernest Gaunt, C.M.G. A senior captain, Gaunt would take command of the

83 Ibid.
Australian unit with the rank of Commodore 1st Class. The proposal to appoint a Commodore to command the Australian squadron was an unusual one. A Commodore had not commanded on the Australia Station since 1885 when Admiral Tryon had replaced Commodore Erskine in the position. The Admiralty papers suggest that the proposal to appoint Captain Gaunt may have been motivated by a desire not to overshadow Admiral Creswell, the First Naval Member of the Australian Naval Board. Gaunt's appointment, however, was opposed by the First Sea Lord, Admiral Sir Francis Bridgeman. In a letter which revealed the Admiralty's continued reservations at naval forces in the hands of colonial governments the First Sea Lord recommended that the Australian squadron should be commanded by an Admiral. "In the Colonies and especially in Australia", he argued, "rank carries with it in direct proportion - importance and influence! .... It is of the first importance to us here to search out an Admiral whom we have great confidence in, and who we can make quite sure will reflect our views worthily!"

The man eventually chosen was Rear Admiral George Patey. The son of a naval captain, Patey had entered

84 Minute by Rear Admiral David Beatty, Naval Secretary to the First Lord of the Admiralty, 25 June 1912. P.R.O., Adm 1/8283.

85 Minute by Admiral Sir Francis Bridgeman, First Sea Lord, 29 June 1912. P.R.O., Adm 1/8283.
the navy in 1872 and had specialized in gunnery. Prior to his appointment as Commander-in-Chief of the Australian fleet unit he had commanded a unit of the Home Fleet, having been promoted to rear admiral in 1911. Patey, however, was to be denied direct Admiralty intelligence. Despite Australian protests the Admiralty deemed that no intelligence information was to be provided directly to Australia. Rather it was to be sent to the Commander-in-Chief China Station who would then decide what the Commonwealth needed to know. A further reflection of the Admiralty's lack of confidence in their colonial brethren this was to have important ramifications in the First World War when Australia was to be denied information relating to anti-subversive operations by British and Australian warships in Far Eastern waters.

Though the likelihood of Britain reneging on her 1909 commitments had been successfully concealed at the imperial conference, it was inevitable that Britain would eventually be found out. The establishment of the

**. The Times, 5 March 1913.

**. Harcourt to Denman, 15 March 1912, A.A.O.(C), A6661/1348.

**. See Dignan, op. cit., pp. 136-137.
Pacific Fleet became more remote with German moves to increase the tempo of the naval arms race and the appointment of Winston Churchill as First Lord of the Admiralty. The German *novelle* of May 1912 provided for the construction of three battleships above the existing programme as well as increases in the destroyer and submarine fleet. Before the German programme had passed the Reichstag, however, Churchill had committed Britain to laying down two battleships to every ship that Germany added to her existing Navy Law. Dropping any pretence of building to a 'two-power' standard, Churchill revealed that Britain was building against Germany alone and would maintain a sixty per cent superiority over the German fleet in battleships and a larger superiority in lesser vessels.

In October 1912 the Director of Naval Intelligence drafted a memorandum for their Lordships on the subject of the Pacific fleet and what might be told to Australia and New Zealand. The D.N.I. presented the Admiralty with two alternatives. They could "say straight out that the situation at home owing to the new German Fleet Law necessitates a postponement of the Pacific Fleet organization" or they could tell the

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**Marder, From the Dreadnought to Scapa Flow, Vol. I, pp.276–284.**

**Ibid.**
dominions that "we are carrying out the Pacific Fleet organization, but owing to the changed position at home it will only be possible to send out the Bristols gradually." The memorandum is of interest for a number of reasons. Firstly it shows the Admiralty's reluctance to admit their abandonment of the Pacific fleet agreement. The D.N.I. did not propose telling the dominions that the Pacific fleet had been abandoned - only that unforeseen circumstances had resulted in it being delayed. The reference to the unavailability of the Bristol class cruisers also indicates the Admiralty's particular difficulty in finding the smaller vessels promised under the 1909 agreement. It was the shortage of these smaller ships, especially cruisers, which had cast doubt upon the viability of the Pacific Fleet plan as early as 1910. Admiral Fisher's fleet rationalization programme had greatly reduced the number of cruisers in service while the pressure to keep down the size of the naval estimates often resulted in cruiser construction being cut rather than reductions in the battleship vote. As a consequence there was a desperate shortage of these

*D.N.I. memorandum, 16 October 1912, P.R.O., Adm 116/1270.*
vessels, a shortage which was to plague the navy throughout the First World War. 92

The D.N.I.'s memorandum had been prepared in response to a New Zealand inquiry early in 1912 about the Pacific Fleet. In their official reply, not drafted until January 1913, the Admiralty explained that, though the 1909 policy remained unchanged, the vessels promised could not immediately be spared but that the fleet maintained in the Far East would be of equivalent fighting strength to the force that had been agreed to. 93 An attempt was also made at claiming that "misunderstandings" had arisen in regard to the 1909 agreement and that the Admiralty was not committed to maintaining a specific force structure. "The intention of the Admiralty", the Overseas Defence Committee lamely argued, "although not expressly stated, was not that vessels precisely the same as those comprising the Australian Fleet Unit should be maintained in China waters, but that there would be maintained on the China


Station a squadron which would comprise vessels equal in fighting capacity to those of the Australian Fleet Unit." Even a cursory glance at the minutes of the 1909 conference show that this was not the case. As it was the reply was not sent.

Despite the claim of continuing Admiralty support for the Pacific fleet there is little doubt that the programme had been abandoned rather than merely delayed. As early as January 1912 Churchill had decided to ask the New Zealand government if the battle cruiser New Zealand could be retained in the North Sea instead of being sent to China as had been agreed in 1909. In February he had instructed the Admiralty that "it is not necessary to keep more ships in China than will suffice to contain the German squadron there." Even Admiral Fisher, who had strongly supported the Pacific Fleet plan in the past, had abandoned the scheme. Though in retirement he remained in close touch with events at the Admiralty and had met secretly with Churchill soon after the latter's appointment as First Lord. "The margin of power in the North Sea", he wrote to Lord Stamfordham in June, "is irreducible .... Is it

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95 See Churchill to Louis Harcourt (Colonial Secretary), 29 January 1912 quoted in Meaney, op. cit., p. 231 fn.96.

96 Minute by Churchill, 14 February 1912, P.R.O., Adm 1/8284.
proposed to build another fleet for the Mediterranean, and also perhaps for China, and so on? *We cannot have everything or be strong everywhere.* It is futile to be strong in the subsidiary theatre of war and not overwhelmingly supreme in the decisive theatre."  

The embarrassment of the British authorities over the Pacific Fleet is reflected in their reluctance to admit the de facto abandonment of the scheme either to the dominion governments or to their own representatives in the dominions. Requests by the dominion governments for information on naval policy were met with long delays, leading to complaints from Australian ministers and an official protest by the Commander-in-Chief Australia station (Admiral Sir George King Hall) in November 1912. Likewise, neither King Hall nor the Governor General (Lord Denman) appear to have been told of Britain's difficulties in meeting her commitments to the Pacific fleet and consequently found themselves out of step with the government at home. Denman was criticised for supporting the development of local navies. Admiral King Hall was


rebuked for encouraging moves by New Zealand to establish a navy in conjunction with Australia. King Hall, Churchill later claimed, was inclined to "mix himself up in the big questions of naval policy without instructions from the Admiralty."  

In November 1913, more than twelve months after the D.N.I.'s memorandum on possible responses by the Admiralty to dominion concern at the non-appearance of the Pacific fleet, an official explanation was sent to Australia. "The development of the general naval situation", it was stated, "has been such as to cause Their Lordships in the interests of the Empire to defer carrying the [1909] arrangements into effect in the precise form contemplated." Despite this, the Admiralty claimed, their forces in China waters had "been re-constituted with careful reference to the strength of any possible enemy force which they might have to meet" and that they "broadly fulfilled the purposes which the arrangements decided upon in 1909 were intended to serve." In lieu of the two modern

100 Churchill to King Hall, 5 December 1912, P.R.O., Adm 116/1270.


102 Admiralty memorandum, 17 November 1913, C.A.O.(C), CP 290/15/2. (My italics).

103 Ibid.
battle cruisers promised under the 1909 agreement two battleships of the Swiftsure class had been sent to the Far East. These were obsolete pre-dreadnought vessels which had originally been built for Chile but acquired by Britain in 1904 to prevent their purchase by Russia at the outbreak of the Russo-Japanese War. Smaller and lighter than their British contemporaries and carrying only 10-inch guns they were not homogeneous with Britain's own pre-dreadnought fleet and it was this, rather than any consideration of likely opponents, which appears to have been behind the Admiralty's decision to station them in the Pacific.

Not surprisingly the Admiralty's claim that the provision of two obsolete battleships fulfilled their obligations under the 1909 agreement did not satisfy the Australian government. In his response Prime Minister Joseph Cook, while accepting that the changed situation in the North Sea might make adjustments to the Pacific fleet programme necessary, argued that this should not cause the abandonment of the whole programme. Special provisions, he urged, should be made to meet the crisis in the North Sea. The 1909 agreement, he explained, was intended to provide for "the permanent protection of British interests in the Pacific". Though the Anglo-Japanese Alliance provided a measure of protection, Australia should not be "left
be "left to depend upon the continuance of such a delicate security as an alliance, however desirable and honourable, with a great and friendly power".  

Probably some in the Admiralty and certainly many in defence circles in Britain would have sympathized with Cook's plea. In 1911 The Times waged a campaign for a strengthening of British naval forces in the Far East beyond even what had been agreed in 1909. While praising Australia on its naval preparations it claimed that these in no way "absolve this country from the duty of maintaining its supremacy in those seas." Three armoured cruisers of the first class", The Times declared, "would be a wholly insufficient force to represent our interests in the Pacific". Twelve armoured cruisers in the Pacific, it suggested, "would be none too many", adding that "the hope of Mr. McKenna that we have reached the high water in the matter of the Estimates seems to be much more sanguine than the circumstances warrant."

Early in 1914 Admiral Henderson also called upon the British government to honour its 1909 commitments. By abandoning the Pacific fleet programme and

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104 Cook to Denman, 28 February 1914, C.A.O.(C), CP 290/15/2.
105 The Times, 18 March 1911.
100 Ibid, 15 March 1911.
discouraging the development of dominion fleets, Henderson argued, Britain was acting against her long term interests and hastening the breakup of the empire. "It is still in our power to promote and assist to build up navies for the Dominions", he claimed. "If it were done no nation or nations would dare attack us on the sea, and apart from fighting strength the moral and financial position of the Empire would be enormous." 107

Such calls, however, were out of touch with political reality in Britain. The Liberal government was simply not prepared to fund both the naval race with Germany and a fleet in the Pacific. After a period of relative stability following Admiral Fisher's fleet rationalization programme the naval estimates had again begun to increase. As a proportion of government expenditure the 1912 estimates reached the 1905 highpoint while in money terms they were nearly six million pounds above the 1905 figure. 108 Moreover a bid by Churchill to secure three battleships from Canada had fallen through and the First Lord was forced to request a record £51,580,000 in the 1914 estimates. 109

107 Ibid, 28 February 1914.
108 See Appendix A.
109 In 1912 Churchill had persuaded Canadian prime minister Sir Robert Borden to have the government of Canada donate three dreadnought battleships to the Royal Navy for service in the Mediterranean. The bill to provide the funds for the ships was defeated in the Canadian Senate. See Gordon, The Dominion Partnership in Imperial Defense, pp. 263-265.
As in the past when a large increase in the naval estimates had been requested a Cabinet crisis ensued and Churchill was forced to revise his figure downwards, it was clear no money would be available for the development of naval forces in peripheral areas such as the Pacific.  

Indeed in his speech on the 1914 naval estimates Churchill, perhaps adopting the view that the best form of defence is attack, denounced Australia for retaining its battle cruiser in its own waters. Churchill had been severely embarrassed by the failure to secure the three Canadian dreadnoughts. In 1913 he had unwisely promised reductions in naval expenditure on the anticipation of these vessels and his criticism of Australian policy was to some extent a reflection of his frustration. "Two or three Australian and New Zealand Dreadnoughts if brought into line in the decisive theatre", he claimed, "might turn the scale and make victory not merely certain but complete. The British Navy in home waters." Australia, Churchill asserted, needed only "docks and local defence flotillas." Beyond that Australia's security was


guaranteed by the alliance with Japan. Though Australia, Churchill declared, was "perfectly free" to decide the disposition of its navy, he added disparagingly that "it is recognized ... that time will be required before the principles of naval strategy are applied to their fullest extent in the Dominions."\textsuperscript{112}

Though Australia continued to protest at Britain's failure to live up to her commitments, after Churchill's speech there was no longer any question of the Pacific Fleet only having been deferred. Nevertheless the Admiralty refused to accept that they had abandoned the Pacific. The small British presence in the Pacific, they argued, was justified by the alliance with Japan. While Britain relied upon Japan to safeguard her Pacific interests, Churchill asserted, Japan was equally dependent upon the Royal Navy in the Atlantic to protect her from "the great fleets of Europe". "In no other way", he claimed, "... can Japan protect herself from the dangers of European interference."\textsuperscript{113} Moreover the Admiralty continued to believe that a British fleet could be sent to the Pacific if it became necessary. It was this belief which was behind Churchill's recommendation that

\textsuperscript{112} Ibid.

\textsuperscript{113} Ibid.
Australia concentrate on building docks and local defences. The Second World War showed that this was a false belief.

The Pacific fleet plan was a final, unsuccessful attempt by the Admiralty to resurrect British sea power in a region of great economic and political importance to Britain. It reflected a natural preference by the Admiralty for a British battle squadron in the Far East rather than reliance upon the goodwill of an ally. While the German *novelle* of 1912 finally put a new Pacific Fleet beyond Britain's resources, the shortage of small ships, especially cruisers, appears to have undermined it before then. The Pacific Fleet plan, it would seem, was flawed from the start. Nevertheless, the Pacific Fleet programme was the most important initiative by the Admiralty in imperial affairs since the 1887 naval agreement and was of particular significance to Australia for it resulted in the establishment of the Royal Australian Navy.
CONCLUSION

The period from 1883 to 1914 saw major changes in the relationship between the Admiralty and Australia. Whereas in 1883 the Australian colonies had been almost totally dependent upon the Royal Navy for protection, by 1914 the Commonwealth of Australia had established its own ocean-going navy and assumed responsibility for the defence of its own waters. In explaining these developments, histories of British imperial relations have emphasized the growth of "assertive nationalism" in the dominions and the efforts of the imperial authorities to come to terms with it. These decades, however, also saw the gradual decline of Britain's economic and naval power and attempts by successive British governments to rein in the naval estimates. A major theme of the present work has been to show how these broader changes in Britain's strategic and financial circumstances shaped the Admiralty's position on colonial naval defence.

In the early 1880s a series of incidents highlighted the dangers independently-minded colonial

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governments could pose to British interests. The risks seemed greater if the colonies possessed their own naval forces and this consideration reinforced an aversion within the Admiralty to sharing responsibility for naval defence with the colonies. The upshot of these concerns was the 1887 naval agreement the primary intention of which, it has been argued, was to undermine the impulse for naval construction in the Australian colonies.

An important part of the 1887 agreement was the acceptance by the Admiralty of restrictions on the operation of warships subsidized by the colonies. This was a major concession by the Admiralty for it flew in the face of accepted strategic thinking. The 1887 agreement, however, was signed at a time when the Royal Navy was still largely unchallenged on the world's oceans. While the Admiralty were concerned at losing absolute control over some of their ships, Admiralty documents reveal that they did not initially see the restrictions on the movement of the Auxiliary Squadron as an excessive burden and were prepared to accept them in view of the dangers to British interests posed by colonial naval activism. From the 1890s, however, Britain's relative naval strength began to deteriorate. As the Admiralty came under pressure from the government to rationalize their forces and cut naval expenditure it became increasingly difficult for them
to impede the development of local colonial navies. While the Admiralty were pressed by Australian governments after 1901 to support the establishment of an Australian navy, it is clear that changing strategic circumstances and the search for economy at home played the leading role in forcing the Admiralty to revise their position on Australian naval defence.

By 1902 the need to trim naval estimates, and the secret provisions of the alliance with Japan, made the restriction of the Auxiliary Squadron to the waters of the Australia Station unacceptable to the Admiralty. At the 1902 colonial conference the Admiralty insisted upon an expansion of the operational area of their Australian squadron. This requirement was reluctantly accepted by the Barton government which, because of constitutional restraints on its expenditure, was in no position to initiate a local naval programme. The Admiralty were at first pleased with the results of the 1902 conference. While they had not achieved all they had hoped for, the First Lord expressed satisfaction with agreement and complimented the Australian and New Zealand governments on their appreciation of the "peculiar characteristics of naval warfare." ²

The Admiralty's satisfaction with the 1902 agreement was short-lived. The failure of the 1902 agreement has often been attributed to the rise of national sentiment in Australia and the associated increase in Australian pressure upon the Admiralty for a national naval force. "Perhaps because of the pressure exerted by Deakin, or perhaps in recognition of the political realities in some of the dominions", Donald Gordon has claimed, "the Admiralty's attitude [to colonial navies] began to change." 3 As was suggested in Chapter 4, however, while the Admiralty were not unmindful of Australian desires for a local navy, the policy of naval retrenchment being pursued by Britain's newly elected Liberal government was the principal factor behind the decision in 1907 to support the establishment of local colonial navies. The Admiralty wanted to escape from the provisions of the 1902 naval agreement and reduce the size of their naval forces stationed in Australia. Support for local navies was seen as a necessary trade-off in return for the termination of the 1902 agreement.

The Admiralty's 1907 decision can be explained in terms of pressing strategic and financial

considerations. Their recommendation, two years later, that the colonies establish ocean-going 'fleet units' as part of a new British Pacific Fleet appears to fly in the face of these strategic and financial imperatives. As was suggested in Chapter 5, however, the Admiralty had sound strategic and diplomatic reasons for wanting to reassert British sea power in the Pacific. Even the most fervent 'blue water' theorists had to admit that the concentration of the Royal Navy in the North Sea only provided protection for Britain's Far Eastern possessions if they were at risk from a European power. The rise of the Imperial Japanese Navy in the North Pacific had compromised Britain's naval position in the Far East. The Anglo-Japanese Alliance provided a measure of security, but in 1909 Japan's long-term reliability as an ally was seriously doubted and the continuation of the alliance beyond 1915, when it was due to expire, far from certain.

With the Admiralty under pressure to reinforce Britain's naval position in the Far East, a naval scare in Britain provided them in 1909 with a number of dreadnoughts above what was needed to counter the German fleet in the North Sea. It was the existence of these ships, combined with the offers of additional assistance from the dominions, which enabled the
Admiralty to propose the establishment of a new Pacific Fleet. The long-term viability of the Pacific Fleet, however, depended on encouraging the dominions to assume responsibility for regional, as against purely local, defence. Keen to exploit the situation to its fullest, the Admiralty dramatically revised their position on dominion navies. At the 1909 imperial conference considerable pressure was brought to bear on the dominions to develop ocean-going 'fleet units' instead of the coastal defence forces that the dominions, with the concurrence of the Admiralty, had planned to set up.

The plan to establish a new British fleet in the Pacific, with one of the component 'fleet units' both provided and operated by Australia, marked an important change in the Admiralty's relations with the dominions. Ways were found to overcome the problems surrounding the legal status of colonial warships on the high seas. The strategic and financial strains which had forced the Admiralty to accept the development of colonial navies, however, soon left them unable to fulfil their Pacific Fleet pledge. Amid bitterness and recrimination the Admiralty tried to return to the contributory system of the 1887 naval agreement. But changes in the relationship between the Admiralty and the colonies could not be reversed. Australia proceeded to construct its ocean-going squadron, which became operational in 1913 as the Royal Australian Navy.
APPENDICES
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**Great Britain: Expenditure on Naval Defence 1880-1914**

**APPENDIX A**
APPENDIX B

Australia: Expenditure on Naval Defence 1901-1914

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