Your telegram No. 98. Recommendations in paragraph 59 of report of New Zealand Defence Conference have now been considered by Oversea Defence Committee. Following is summary of Committee's views with my comments. Numbering follows that of sub-paragraphs of paragraph 59 of Report.

(a) Fiji

(i) Committee endorse recommendations for expansion of Defence Force. War Office are investigating possibility of providing machine guns and small arms ammunition required.

I agree with Committee's view and trust that expansion of force will be begun forthwith. Assume you will consult Government of New Zealand direct as regards proposed provision of rifles and web equipment. It is not yet known here whether New Zealand Government has accepted recommendation of Conference in this respect. I will communicate further as regards machine guns and ammunition.

(iii) Committee recommend that Suva should be classified as Category A defended port with coast defences.
of 2 6-inch guns and 2 search-lights. If Committee of Imperial Defence approve recommendations, defences will be provided from United Kingdom sources as and when available, but demands of Suva must be considered in relation to similar demands throughout Empire. Hence there may be some delay. In the meantime Admiralty are considering whether guns can be provided from Admiralty sources in Australia.

Will communicate further as to this, but in the meantime it is desirable that preliminary arrangements should be considered for recruitment of personnel (6 officers and 106 other ranks) who will be required to man defences, in order that there may be minimum delay in forming unit when equipment is available. No actual recruiting should of course, be begun at present.

(iv) and (vi). Committee endorse recommendation that two landing grounds should be constructed. His Majesty's Government in the United Kingdom will share cost equally with His Majesty's Government in New Zealand, on the understanding that financial contribution from United Kingdom funds is limited to half estimated cost of constructing landing grounds only, and that cost of other facilities for New Zealand Air Force is borne by His Majesty's Government in New Zealand.

Assume you will communicate with Government of New Zealand as regards construction of landing grounds, but you should defer any such communication for the present.
pending conclusion of conversations on defence matters in
at present proceeding/London with the New Zealand Minister
of Finance.

(b) Tonga

(i) Committee endorse recommendation to raise one
infantry company, as being an essential corollary to
proposal to construct landing grounds in Tonga, since these,
if constructed, must be defended. It is not, however,
recommended that any part of recurrent cost should be
borne from Imperial funds. Initial equipment and arms
would, however, be made available by His Majesty's
Government in the United Kingdom and in New Zealand as
set out in paragraph 45 of the report.

I appreciate that absence of any promise of financial
support towards recurrent cost may make it difficult
for Government of Tonga to maintain force proposed, and I
should not wish any undue pressure to be exercised if
Government of Tonga is, in the circumstances, reluctant
to undertake commitment proposed. Nevertheless, unless
you see any objection, I should be obliged if you would
approach Government of Tonga at a favourable opportunity
in order to ascertain whether they will be prepared to
implement proposal on the understanding set out above.

(ii) Committee welcome proposal of Government of
New Zealand to survey possible sites for emergency
landing grounds.

You
You will no doubt concert arrangements for such surveys with the Government of New Zealand direct, in consultation with the Government of Tonga.

(d) Fanning Island:

(i) Committee welcome proposal that one platoon from New Zealand should be stationed at Fanning Island in peace, on the understanding that whole of initial cost and of subsequent maintenance will be borne by His Majesty's Government in New Zealand.

New Zealand Government are considering advisability of sending a platoon as a temporary measure for such purposes as construction of section posts and improvement of water supply, but have not reached a final decision.

(ii) You are taking action as regards food reserves and will no doubt report if there is any difficulty.

(e) Ocean Island:

(i) Your action is noted.

(ii) War Office will be consulted as regards proposed supply of arms and ammunition in light of separate telegraphic correspondence.

(f) New Hebrides and (g) New Caledonia:

Your report on these items will be awaited.

As regards financial implications of above proposals, I have noted with appreciation recommendations made in paragraph 5 of your despatch of the 17th January, 1939. I assume that it will be possible for Fiji to meet:

(1)
(1) any capital cost involved by proposed expansion of Defence Force

(2) increased recurrent cost both of proposed increase in Defence Force and of unit to man coast defences;

(3) recurrent cost of maintaining landing ground;

(4) cost of small R.N.V.R. unit concerning which I am sending a despatch.

I agree that if Fiji accepts responsibility for these charges, annual voluntary contribution of £5,000 hitherto made for Imperial Defence should be discontinued.