

are awaiting the outcome of the conference before that despatch can be conveyed to the Government of New Zealand. Consequently, the New Zealand Parliament, in the absence of the despatch referred to, or the result of the conference subsequently convened, will not be in the position to deal with the matter which the British Government have put on record that they intend to carry out, until either the despatch has been received, or, in the alternative, the important and difficult questions to be discussed at the Imperial Conference have been fully considered. While I am not going to ask the members of Parliament who are present to consider the Government's offer of a Dreadnought to the British Government, it does become necessary for me to put on record in sequence the despatches connected therewith, and I propose to do so from the start, so that honourable members, not only to-day, but when Parliament meets, shall have before them the position in detail so far as the Government is concerned. I commence by reading a memorandum sent by me, dated the 20th March last, to my colleagues on this important matter:—

“ Prime Minister's Office, Wellington, 20th March, 1909.

“ Memo. for Cabinet.

“ THERE is at the present moment a crisis in the affairs of the Empire. The cables recently published regarding the keeping of the British navy up to a standard that will insure the safety of all parts of the Empire are of a most disquieting nature. So much so that I feel that the time has arrived when New Zealand should do something more than it is now doing to show its practical assistance and support of the British navy in such a way that the moral effect of New Zealand's co-operation would, quite irrespective of the money value, be of more than ordinary moment.

“ We are now under an agreement to pay £100,000 a year as a contribution to the British navy. This is doubtless in the ordinary sense a large sum, but is comparatively small when the tremendous interests at stake are considered, and is nothing approaching what we are reasonably and fairly expected to contribute to help the Old Land to maintain that which is essential for their and our welfare also—namely, the supremacy of the sea—and which, in my opinion, can only be insured by her having a greatly superior fleet of battleships to that of any other Power.

“ For your consideration I propose that we should offer to the British Government at least one, and, if necessary, two first-class battleships of the Dreadnought or latest types, and that the offer should be on behalf of New Zealand and at our own cost; the battleships to be controlled both in peace and war time absolutely by the British Admiralty.

“ If the offer is accepted by the British Government, we must, of course, ask Parliament for authority to raise a special loan, and, in addition, to provide interest upon the amount required for a sinking fund of 1 per cent. for the redemption of the loan. At the outside, the cost of each of the battleships would be two millions, probably one and three-quarter million each, but in estimating the position I take the former amount as the approximate cost. I have no doubt in my own mind that for such a purpose we could obtain a loan at a rate of 3 per cent., which, with 1 per cent. sinking fund, would amount, if the battleships cost the full sum of £2,000,000, to £80,000 per annum for one, and if two were obtained to £160,000 per annum; so that, summed up from the standpoint of the cost to the people of New Zealand, the amount is not large, and if considered as an insurance premium upon the value of the national estate, to say nothing of the value of the private estate of the people and the keeping open sea routes for the safe conveyance of our produce, is anything but a large sum to pay in return for helping to support in a practical way the British navy, which much be recognised by all as giving us a protection and support against other countries that is really invaluable.

“ By following the course I am suggesting we would in a most practical and substantial way demonstrate to any opposing nation of the British Empire that not only have they to count upon the magnificent work the Old Land in this respect has done in the past by building and maintaining a powerful and unequalled navy—and will, I am confident, continue to do so in the future—but will also have to reckon in addition the loyal adherence and the practical assistance of her sons in her oversea dominions, and the moral effect of this undertaking would, in my opinion, have a great and far-reaching influence. It would proclaim to the world that the oversea dominions, gradually growing into nationhood, were prepared to help to preserve the power and greatness of the Empire which for the best part of a century, at comparatively no cost to us, has given us that protection without which that independence and security to our commerce under the British flag would have been impossible in the absence of the British navy.

“ Whatever is done should be done at once, and if Cabinet agrees to my proposal I would transmit it through the Governor to the British Government without delay. The responsibility devolving upon the Government in taking this action is a great one, the refusal of Parliament to sanction it involving as it would the retirement of the Government or an appeal to the people; but I feel confident that the loyalty of the people of New Zealand, voicing itself through their representatives in Parliament, will indorse the action of the Government.

“ The situation in England to-day is one of tension and serious apprehension, and both in the eyes of England and in the eyes of Europe a prompt and generous assistance would have, in addition to its material value, a moral effect which cannot be overestimated.

“ J. G. WARD.”

That memorandum was submitted on the 22nd March to Cabinet, at which there was a full meeting, with the exception of the member representing the Maori race in the Executive Council. At that full meeting the following decision was, after consideration, arrived at unanimously:—

“ In Cabinet, 22nd March, 1909.

“ The Government to offer to defray the cost of the immediate building and arming of one first-class battleship of the latest type, and, if subsequent events show it to be necessary, will provide the cost of a second war-ship of the same type.

“ J. HISLOP,
Acting-Secretary.”