

25 May, 1911.]

IMPERIAL COUNCIL.

[2nd Day.

Sir JOSEPH WARD : I am going to state what my opinion is, because I am of the opinion that at times considerable sums are used other than out of revenue for the purpose of providing armaments.

The PRESIDENT : As to the battleships and munitions of war, we have done such things, I agree; but our normal practice is to provide for the construction of ships entirely out of revenue.

Sir JOSEPH WARD : However, for the purposes of my argument, three Dreadnoughts certainly could be provided for yearly out of the annual revenue. But supposing, in order to place them in a position of supreme invulnerability and of absolute safety from every point of view, by co-operating with the British Navy, all these oversea Dominions, instead of waiting for a period of 20 years with a gradual expenditure only of a very considerable sum of money yearly, decided as a matter of policy to at once borrow the necessary money to equip their territories with a practically impregnable naval defence system; this could be done out of the 6,500,000*l.* a year upon the basis I have suggested. I conceive that by this means such a position could be simply and efficiently arrived at within five years from now. Twenty-five Dreadnoughts at 2,000,000*l.* each would amount to 50 million sterling, and the annual *per capita* contribution would, upon a basis of 6 per cent., including 3 per cent. for sinking fund, insure that every one of them would be paid for in 15 years. In Australia, for instance—I am saying this, as my friend Mr. Fisher will recognise, with all respect——

Mr. FISHER : Yes, I quite admit that.

Sir JOSEPH WARD : In Australia, for instance, with all its Eastern possibilities, instead of having a minimised or ineffective fleet to meet the requirements of the great Commonwealth for protective purposes, ample protection would be afforded in a comparatively short period. To build up their own navy will take many years, with an enormous burden, in proportion to its population, in the interval placed on the people of the Commonwealth, but if a proposal of the kind I am suggesting (if any voluntary system, which is suggested can be brought about, well and good, but I do not believe it can) were given effect to, what would the position be in Australia, in Canada, in New Zealand, South Africa, and Newfoundland? Why, by making provision for the repayment of those 25 Dreadnoughts, if the vessels could be supplied within five years from now, every point of those Possessions would be in a position for defensive purposes absolutely unsurpassed by any other part of the world.

Mr. FISHER : But, Sir Joseph, if you will allow me to interrupt, you would have no fleet at all at the end of 15 years.

Sir JOSEPH WARD : Why?

Mr. FISHER : Because it would be scrap-iron then, and you would only have paid for it.

Sir JOSEPH WARD : I do not agree with you, Mr. Fisher, because I want to point out that if you provide for depreciation at the rate of 3 per cent., which I am suggesting on the establishment of the fleet——

Mr. FISHER : Fifteen years?

Sir JOSEPH WARD : Yes, and if any vessel went out altogether at that period you would have replaced her out of sinking funds that had accumulated, because you would be providing for depreciation all the time. According to your argument, your railways ought to have been scrap-iron 25 years ago.

Mr. FISHER : No.