

This alteration in plan proved disconcerting in many ways. For example, as a result of the stoppage of work at Singapore the Australian Government felt compelled to take additional precautions for their own naval defence and embarked upon a scheme based upon a number of years, and New Zealand became more impressed with the necessity of providing an efficient local naval unit. Ultimately this feeling led to a decision by the New Zealand Government to maintain in New Zealand waters a second "D" Class cruiser, which actually arrived at the beginning of 1926.

When, therefore, as the result of a further change of Government in the United Kingdom it was decided to resume operations at Singapore, and to proceed with the completion of the base, the Dominions more directly concerned were placed in a somewhat difficult position, and matters were in this indefinite state until the last Imperial Conference.

New Zealand was then maintaining two "D" Class cruisers and was considering the maintenance of a third cruiser on similar terms. The advantages of providing this additional ship were very great, and the New Zealand Government were anxious to proceed on these lines if this were found to be possible. It was known, however, that an additional "D" Class cruiser was not available. These cruisers, moreover, were somewhat small for the purpose, and it would in any case be necessary to withdraw them in seven or eight years' time.

It was known also that certain portions of the Empire had already offered substantial assistance towards the cost of the base. Land for the purpose had been provided by the Straits Settlements, Hong Kong had granted £250,000, and the Federated Malay States no less than £2,000,000.

Just prior to my departure for the Imperial Conference I took the opportunity of stating in the House my conviction, and that of my colleagues, that New Zealand should take upon her shoulders a further proportion of the burden of naval defence, and I stated that the Government of New Zealand regarded the provision of an adequate naval base at Singapore as an indispensable necessity for the naval defence of the Empire. Bearing these two principles in mind, and with a full realization of the advantages on many grounds of maintaining a third cruiser in New Zealand waters, I announced my intention of being guided as to New Zealand's future steps after conference with the Admiralty, when the Government would have a better opportunity of drawing a sound conclusion.

In London we had the advantage of the advice of Admiral Hotham, who has been closely connected with the New Zealand Division and who rendered the greatest possible assistance in considering the best course to adopt in the future. The fullest opportunity of conferring with the Admiralty was made available, and I was able to obtain sufficient data to make a confident decision as to the attitude we should adopt.

The view of His Majesty's Government in Great Britain was expressed at the Conference by the Prime Minister (Mr. Baldwin) in the following words: "This development (*i.e.*, the Singapore Base) is most urgently needed at the present time from the point of view of Imperial defence. We would therefore ask those Dominions which are specially interested in the Far East to consider most carefully whether there is any way in which they can co-operate in the development of Singapore, either now or within the next few years. There could be no more valuable contribution to the defence of the Empire as a whole."

I have now consulted my colleagues, and we have decided, having regard to the very definite views of the New Zealand Naval Board, the British Admiralty, and His Majesty's Government in Great Britain, to provide for the following naval programme, which is regarded as that best qualified to meet the position as it exists to-day, and proposals to this effect will be submitted to Parliament in due course:—

- (a) The sum of £1,000,000 will be paid to His Majesty's Government in Great Britain as a contribution towards the cost of the Singapore Base. This amount will not be paid as a lump sum, but will take the form of annual payments spread over the period between the present date and the date of completion of the base, estimated at seven or eight years.
- (b) A third "D" Class cruiser will not be maintained, but when it is necessary eventually to withdraw the two existing cruisers they will be replaced by two "B" Class cruisers. These ships have a tonnage of 8,400, and the estimated annual cost of their maintenance will be £300,000 each, as compared with some £230,000 for a "D" Class cruiser.
- (c) During the period between the present time and the date when the "B" Class cruisers will be taken over, alterations in the equipment and plant of the New Zealand Naval Base will be required for the upkeep of "B" Class cruisers, and will be undertaken between now and the date when the new cruisers will be taken over.

When the Singapore Base has been finally completed and a contribution from New Zealand on that account is no longer payable, it is definitely intended to resume the policy of devoting the whole of our expenditure on naval defence to the New Zealand Division. The present deviation from that policy is a temporary one, due entirely to the desirability of assisting towards the completion of the Singapore Base.

I feel sure that every citizen in New Zealand will welcome the opportunity of assisting more materially in the naval defence of the Empire, and will be proud to bear a burden approximating a little more closely to that already carried mainly by the people of the United Kingdom.

23rd April, 1927.

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*Approximate Cost of Paper.*—Preparation, not given; printing (500 copies), £2 5s.

By Authority: W. A. G. SKINNER, Government Printer, Wellington.—1927.

Price 3d.]