

1927.

NEW ZEALAND

SINGAPORE AND NAVAL DEFENCE.

(STATEMENT BY THE RIGHT HON. THE PRIME MINISTER.)

Laid on the Table of both Houses of the General Assembly by leave.

THE Government have for some time past been giving careful consideration to the future naval policy of New Zealand, and I am now in a position to make a statement on the matter.

It will be remembered that New Zealand's first assistance towards the naval defence of the Empire was by means of a monetary contribution to the Royal Navy, and for a considerable period this arrangement proved satisfactory. It enabled the people of this country to assume in some small degree the heavy cost of the Royal Navy, and a significant development of this method of contribution was the timely gift in 1909 by the Government, led by Sir Joseph Ward, of the battle cruiser "New Zealand." This gift was a practical exemplification of the Imperial spirit of our people, and the ship proved of material assistance in the dark days of the war.

As New Zealand's conception of the part she was to play in the affairs of the Empire expanded, however, it became clear that in some respects this method of contribution did not entirely meet the position, and with the outbreak of the war the vital necessity of providing for ships and personnel in our own waters was brought home to the people of New Zealand. The war showed us that if and when it became necessary to transport New Zealand troops in an Imperial emergency to any part of the Empire or to any quarter of the globe it was imperative that there should be at hand naval protection for this purpose. Indeed, it may be said that the war taught us clearly and for the first time the geographical situation of our country. We realized that New Zealand is the furthest outpost of the Empire, completely surrounded by the sea, peopled by descendants of a stock that has for centuries been essentially a maritime race, and that with a large export trade built up on the fertility of the soil and the industry of the people our whole prosperity as well as our prospects of rendering assistance to the Empire in time of need depend entirely upon the safety and adequacy of our sea communication.

That this fact is accepted and acknowledged to-day by the vast majority of our people is undoubted, and it was for this reason that the Government of the late Mr. Massey instituted the present naval policy of New Zealand—namely, that we should maintain in New Zealand waters a unit of British ships, supplied by the Royal Navy and maintained at the expense of New Zealand.

Though the cost of this unit was to be paid by New Zealand, it was considered at the time, and is still considered to-day by the present Government, to be essential that the unit should be in every respect an integral part of the Royal Navy, manned, trained, and maintained according to the methods of the Royal Navy, and available automatically for use in time of emergency in the same manner as any other unit of that Navy.

An important feature in the policy adopted was that these ships should as far as practicable be manned by young New-Zealanders, with the object of developing in this country a spirit of pride and attachment to the ideals of the parent Navy and of providing a means of deepening the sea-sense characteristic of the people from whom we had sprung. It was felt also that the presence of ships of war in New Zealand waters would bring home to our people the fact that the growth in the wealth and population of our country was inevitably accompanied by an increase in her responsibilities and obligations in world affairs.

In the institution of the New Zealand Division of the Royal Navy we were greatly indebted to the advice and assistance of Lord Jellicoe, to whose guiding hand the Division as it exists to-day owes much. His visit and report in 1919 enabled us to proceed with confidence and despatch in the difficult early stages, and made it possible for us to work out in detail the steps that we intended to follow. It will be remembered that in the initial stages one cruiser was provided.

The expansion of New Zealand's programme on these lines was, however, somewhat complicated by the decision of the British Admiralty to provide a first-class naval base at Singapore. This decision was made after most detailed consideration and on the advice of the competent authorities.

Once this decision had been arrived at it was felt in New Zealand that it would not be proper to allow the British taxpayer to pay the whole cost of the base, and accordingly during Mr. Massey's government Parliament was asked to vote, and did vote, a first contribution of £100,000 towards the cost. A similar feeling was expressed in Australia, and there can be little doubt that assistance would have been forthcoming in that quarter also; but before payment of the New Zealand contribution was made a change of Government in Great Britain led to the postponement of the Singapore project, and in the meantime nothing further was done in that direction.

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.

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J. G. COATES.

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