

1913.
NEW ZEALAND.

NAVAL DEFENCE.

(STATEMENT BY THE PRIME MINISTER, HON. W. F. MASSEY.)

Laid on the Table by Leave of the House.

In explaining the attitude of the New Zealand Government in regard to naval defence, I desire to say that any delay which has taken place in making this statement of the Government's opinions and position has been owing to circumstances over which the Government had no control.

In order to make the position clear it is necessary to go back to the first subsidy granted by the New Zealand Parliament on account of Imperial naval defence. By the Australasian Defence Act, 1887, provision was made for the payment by the Colony of New Zealand of a proportional part of the cost of establishment and maintenance of an additional Naval Force to be employed for the protection of our floating trade in Australasian waters, and an appropriation of an annual contribution was provided for ten years to give effect to the agreement entered into between the Colonial Government and the Imperial authorities. This payment approximated £20,000 per annum.

The next step was in 1903, when the Australian and New Zealand Naval Defence Act was passed into law, increasing the annual contribution by New Zealand for the establishment and maintenance of an additional Naval Force to be employed in Australian and New Zealand waters to a sum not exceeding £40,000.

By the Naval Subsidy Act, 1908, the annual contribution of the Dominion was again increased to £100,000 for ten years from the 12th May, 1909. Then followed the gift of the battle-cruiser "New Zealand" in March, 1909. In the same year the Imperial Defence Conference met in London, and an agreement was arrived at for the establishing of a Pacific Fleet, to consist of three units in the East Indies, Australia, and China seas, each comprising, with some variations, a large armoured-cruiser of the new "Indomitable" type, three second-class cruisers of the "Bristol" type, six destroyers of the River class, and three submarines of "C" class.

The battle-cruiser "New Zealand" was to be the flagship of the China unit, and by arrangement between the First Lord of the Admiralty (the Right Hon. Mr. McKenna) and the Right Hon. Sir J. G. Ward (representing the Dominion), a portion of the China unit consisting of two "Bristol" cruisers, three destroyers, and two submarines was to be stationed in peace time in New Zealand waters, the ships to be manned as far as possible by New Zealand officers and men.

The following correspondence between Mr. McKenna and Sir Joseph Ward sets out the position at that date :—

Extract from letter from the Right Hon. Sir J. G. Ward to the Right Hon. Mr. McKenna.

(No. 1.)

Dear Mr. McKENNA,—

London, 11th August, 1909.

New Zealand will supply a "Dreadnought" for the British Navy as already offered; the ship to be under the control of and stationed wherever the Admiralty considers advisable.

I fully realize that the creation of specific units, one in the East, one in Australia, and, if possible, one in Canada, would be a great improvement upon the existing condition of affairs, and the fact that the New Zealand "Dreadnought" was to be the flagship of the China-Pacific unit is, in my opinion, satisfactory. I, however, consider it is desirable that a portion of the China-Pacific unit should remain in New Zealand waters; and I would suggest that two of the new "Bristol" cruisers, together with three destroyers and two submarines, should be detached from the China station in time of peace and stationed in New Zealand waters; that these vessels should come under the flag of the Admiral of the China unit; that the flagship should make periodical visits to New Zealand waters; and that there should be an interchange in the service of the cruisers between New Zealand and China, under conditions to be laid down.

The ships should be manned, as far as possible, by New Zealand officers and men; and, in order that New-Zealanders might be attracted to serve in the fleet, local rates should be paid to those New-Zealanders who enter, in the same manner as under the present Australian and New Zealand agreement, such local rates being treated as deferred pay.

The determination of the agreement with Australia has of necessity brought up the position of New Zealand under that joint agreement. I therefore suggest that on completion of the China unit the present agreement with New Zealand should cease; that its contribution of £100,000 per annum should be continued and be used to pay the difference in the rates of pay to New-Zealanders above what would be paid under the ordinary British rate. If the contribution for the advanced rate of pay did not amount to £100,000 per annum, any balance to be at the disposal of the Admiralty.

The whole of this fleet unit to be taken in hand and completed before the end of 1912, and I should be glad if the squadron as a whole would then visit New Zealand on the way to China, leaving the New Zealand detachment there under its senior officer.

I am, &c.,

J. G. WARD.

Letter from the Right Hon. Mr. McKenna to the Right Hon. Sir J. G. Ward.

(No. 2.)

Dear SIR JOSEPH,—

London, 18th August, 1909.

The suggestions made by you at the meeting on the 11th and recited by you in your letter to me of the same date have been carefully considered and concurred in by the Admiralty.

The present naval agreement with Australia and New Zealand will not be renewed, and in view of this fact and the other special circumstances referred to by you the part of the China fleet unit, as set out by you, will be maintained in New Zealand waters as their headquarters. Your wish that the ships of the fleet as a whole, or, at any rate, the armoured ship and the cruisers, when completed, should pay a visit to New Zealand on the way to China shall also be carried out.

I take this opportunity on behalf of the Admiralty of repeating their sincere thanks to the New Zealand Government for taking so important a part in the inception of the present Conference. The Admiralty feel that every effort should be made to work out a scheme acceptable to the people of New Zealand, having regard to the patriotic action taken by yourself and your Ministers in March last.

I have, &c.,

REGINALD MCKENNA.

In the early part of 1912 the New Zealand Government consented to the battle-cruiser being stationed wherever the Admiralty deemed advisable. In that alteration of the 1909 agreement the present Government concurs; indeed the Admiralty has been informed that the battle-cruiser "New Zealand" is unreservedly placed at their disposal. Until 1912 the Imperial Government maintained in the South Pacific the Australasian Squadron, but with the coming into operation of the new arrangement between the Imperial Government and the Commonwealth of Australia, and the completion by the Commonwealth of the Australian unit of the proposed Pacific Fleet, the Australasian Squadron was withdrawn, with the exception of some of the smaller vessels, which were to have their headquarters in New Zealand waters.

This was the position which was in sight prior to the visit of the Minister of Defence to England at the beginning of this year.

The Defence Minister was commissioned by the Government to interview the Imperial authorities on the subject, and to endeavour to bring about a more satisfactory state of affairs so far as New Zealand naval defence was concerned. Interviews were granted readily and willingly, and the utmost courtesy was extended to the Defence Minister by the Prime Minister (Mr. Asquith), by the First Lord of the Admiralty (Mr. Churchill), and by every one with whom he came in contact. Up to the time of the Defence Minister's visit little or nothing had been done by the Admiralty to give effect to their part of the 1909 agreement, and an intimation was given to him by the Imperial authorities that the position had changed so materially that it was not considered advisable to carry out the agreement or to send to New Zealand the ships referred to in the correspondence between Mr. McKenna and Sir Joseph Ward, quoted above. As a result of the consultation between the Admiralty and the Defence Minister it was arranged that New Zealand should train her own personnel, and that for this purpose the Admiralty should lend to New Zealand a seagoing training-ship and the necessary complement of officers and men. This ship and its complement to be under the administration of the New Zealand Government, but to be at the disposal of the Admiralty when required. It was further arranged that for Imperial purposes in the Pacific and to assist in the protection of commerce the Admiralty should station in New Zealand waters two light cruisers which had constituted part of the Australasian Squadron. On his return to New Zealand, the Defence Minister submitted the arrangement for the consideration of his colleagues with an additional proposal that New Zealand should at an early date provide a cruiser of the "Melbourne" type now forming part of the Australian unit, this type of ship having been recommended by the Admiralty as most suitable for the protection of commerce. The Government, after due consideration, came to the conclusion that the proposal for two light cruisers was too great a departure from the 1909 agreement, and approached the Admiralty asking that two cruisers of the "Bristol" type should be substituted for the two light cruisers, in which case the Government would ask Parliament to provide an additional £50,000, thus making the £100,000 now provided up to £150,000 per annum. This offer has not been accepted, and the following extract from a telegram dated the 2nd October, from the Secretary of State, will, I think, explain itself:—

It was confidently anticipated in 1909 that stationing of the Bristols in New Zealand waters could be arranged without interfering with the general strategic disposition of naval strength necessary in the interests of the Empire as a whole. Available Bristols are required elsewhere; in particular, two have been sent temporarily to the East India and China Stations respectively. At present they would be superfluous in New Zealand waters, as there are no possible enemy ships of equal speed to be dealt with there.

I have no doubt that the Imperial authorities are, in their judgment, doing the best possible in the interests of the Empire as a whole, but the New Zealand Government think a commencement should be made to improve the naval position in the South Pacific, and, if no satisfactory arrangement is arrived at before next session, Parliament will be asked to agree to the building in Britain of one fast modern cruiser, probably of the "Bristol" type, costing about £400,000, to be used in the event of necessity requiring it for the protection of our trade routes. This type of ship costs £400,000 and is described by Jane as follows: Length, 430 ft.; beam, 47 ft.; mean draught, 15½ ft.; length over all, 453 ft. Guns: Two 6-in., ten 4-in. Displacement, 4,800 tons. Complement, 376. Designed horse-power, 22,000 = 25 knots.

It appears quite certain that we are on the eve of great changes in the Pacific, and it is well that we should commence to shoulder our responsibilities and look to the future both of the Empire and our growing Dominion.

It is proposed that this ship or any ship that New Zealand may acquire shall be under the administration of New Zealand in peace time, but shall automatically pass under the direct control of the Admiralty immediately on the outbreak of hostilities, or shall be available for Admiralty purposes on any other occasion when urgently required.

In the meantime H.M.S. "Philomel" will be taken over by the New Zealand Government and a commencement made with the work of training our own men, and in this connection the Government do not anticipate any difficulty in

securing as many recruits as they require. The native-born New-Zealander of both races takes kindly to a seafaring life, and arrangements should certainly be made for a proportion of the Native race to be trained as seamen. Opportunity will be given to New-Zealanders now serving in the Royal Navy to form part of the crew of the seagoing training-ship lent by the Admiralty to New Zealand. The following information regarding the "Philomel" will be of interest: Length, 265 ft.; beam, 41 ft.; maximum draught, 18½ ft.; Guns: Eight 4·7 in., eight 3 pr., four Nordenfeldts, one 7 pr. field. Displacement, 2,575 tons. Complement, 219. Designed horse-power, 4,000 = 16·5 knots. Built in 1890.

Training of
officers.

The Admiralty has agreed to continue the present arrangement by which two naval cadetships for the Osborne and Dartmouth course will be annually at the disposal of New Zealand on the nomination of His Excellency the Governor under the same regulations hitherto in force. The Admiralty will also be glad to consider applications on behalf of New Zealand for "special entry" under regulations governing this mode of entry. The ordinary channel of entry and training for naval cadets will be through the Royal Australian Naval College, subject to the New Zealand Government making the necessary arrangements with the Commonwealth. The Admiralty has intimated that as at present advised this training will be regarded as equivalent to the training at Osborne and Dartmouth. Until the future requirements for officers can be more accurately estimated, it is suggested that the maximum number of cadets entered yearly should be eight—*i.e.*, two at Osborne or Dartmouth and six at the Australian College. The "special entry cadets" would be in addition to these.

Training of
men.

For the men there will be two methods of entry to the New Zealand Naval Force: (1) As boys, between the ages of fourteen and a-half and sixteen to serve up to the age of eighteen and for seven years afterwards; (2) as youths and men between the ages of seventeen and twenty-five to serve for seven years. In each case the engagement will include liability to serve in any ships of the Royal Navy.

The method of training the lads is not yet decided on, it being thought best to await the advice of the officer to be appointed to command the training-ship and advise New Zealand.

The training of the youths and men is to be in the New Zealand seagoing training-ship, and in such other ships of the Royal Navy as may be stationed in New Zealand waters and detailed for that purpose. After completing their training, men belonging to the New Zealand Naval Force will be available for serving in any ships that may in future be maintained by the New Zealand Government or in the ships of the Royal Navy. Facilities will be provided for men belonging to the New Zealand Naval Force to transfer to the Royal Navy at any stage during or at the conclusion of their service.

Legislation.

Legislation will be introduced to enable the New Zealand Government to establish a Naval Force of officers and men for service either in any ships that may in the future be maintained by the New Zealand Government or in the ships of the Royal Navy, and for the application of the Naval Discipline Acts and the Admiralty Instructions to this Force, and, further, to reconstitute the New Zealand Royal Naval Reserve.

Naval Adviser
to the
Government.

It is proposed that the officer in command of the seagoing training-cruiser lent to the New Zealand Government shall be senior officer of the New Zealand Naval Force and Adviser of the New Zealand Government (through the Minister who may be placed in charge of naval defence) on all matters affecting the organization of the New Zealand Naval Force.

Career for
officers and
men.

A career for officers and men belonging to the New Zealand Naval Force will be available in ships that may in the future be maintained by the New Zealand Government, or in the ships of the Royal Navy; the manning of ships in New Zealand waters will be regarded as the primary object.

New Zealand
Royal Naval
Reserve.

The New Zealand Royal Naval Reserve will be reconstituted so as to consist in future of men who have served in the New Zealand Naval Force, and who volunteer on discharge to join the Reserve, and of men who have served in the Royal Navy, many of whom now live in New Zealand.

Provision will be made by the New Zealand Government in the way of suitable accommodation at Auckland for a naval depot for the joint use of the ships of the Royal Navy and the New Zealand Naval Force; the establishment, for the time being, to be maintained by and under the control of the Admiralty. Repairs and supplies for the New Zealand Force will be charged for on repayment basis.

The scale of pay of officers of the Royal Navy lent to New Zealand shall be the same scale of pay as in the Royal Navy unless a separate New Zealand service is established.

Men lent from the Royal Navy to the New Zealand Naval Force will receive New Zealand rates of pay.

The rates of pay, &c., in the New Zealand ship or ships will be the same as those fixed in the Royal Australian Force.

This scale will apply to men belonging to the New Zealand Naval Force serving in ships of the Royal Navy in New Zealand waters. Service in the Royal Navy beyond New Zealand waters will be considered as "foreign service," and will be paid at Royal Navy rates only, the balance between such rates and those fixed for the New Zealand Force being allowed to accumulate.

Finance.—In addition to the annual payment of about £140,000 to meet the sinking fund and other interest charges on account of the cost of the battle-cruiser "New Zealand" (the sinking fund will be sufficient to redeem the loan-money raised for this purpose in fifteen years from date—*i.e.*, about the year 1928), an annual appropriation for the present time of £100,000 (being the amount of the present naval subsidy) to be used for the purposes of paying,—

- (a.) The maintenance of the training-ship lent to New Zealand as from the time of her transfer, including the cost of any stores supplied after transfer.
- (b.) The cost of all officers and men lent to New Zealand, including the usual contribution towards retired pay and pensions and the cost of passages.
- (c.) The cost, inclusive of all personnel charges—*e.g.*, victualling, clothing, medical issues, &c.—of all men belonging to the New Zealand Naval Force, whether serving in ships belonging to the New Zealand Government or the Royal Navy, and also the cost of the freight of men sent for service elsewhere in the Royal Navy.
- (d.) The cost of training New-Zealanders for officers for the Royal Navy or the New Zealand Naval Force if trained at the Royal Australian Naval College, but no contribution to be paid by New Zealand if the officers are trained in England.
- (e.) The cost of the New Zealand Royal Naval Reserve.

The balance remaining will be paid to the Admiralty.

It will probably in the future be more and more difficult for the Mother-country to obtain the requisite numbers to satisfy the increasing demand for officers and men. Consequently it would seem that the greatest service New Zealand can render just at present to Imperial defence is to commence the training of personnel for the Navy.

With regard to the acquiring of ships by New Zealand in the future, it has been pointed out to the Admiralty,—

- (a.) That the great demand for money for developmental work and the difficulty of our finance in 1914 would probably prevent our doing anything till 1915.
- (b.) That any ships built by New Zealand or acquired would be at the call of the Admiralty whenever war took place or if war were imminent.
- (c.) That in such case New Zealand recognized the absolute necessity for one control and that this control must for the time being rest with the British Government.

In placing their opinions on the subject of naval defence before the House the Government are not thinking only of the present, or even of the immediate future, but of what may happen in years to come and the necessity of making preparation therefor. The British dominions in the Pacific should aim at nothing less than British naval supremacy for this hemisphere. It may take many years to bring it about, but more difficult tasks have been accomplished by people of the British race. The co-operation of the Imperial authorities with Canada, Australia, and New Zealand, the encouragement of the aspirations of these young countries by consulting them when possible with regard to Imperial defence matters, the pride of possession, the traditions of the past, are all factors which make for unity, strength, and nationhood, and which will in time give us the same position in the way of naval supremacy in these seas that is held by our kinsmen on the other side of the world.

Wellington, 28th October, 1913.