

their less fortunate fellow-countrymen. But still there is no doubt at all that the war has produced a state of things from which it will take years to recover. There are European countries where the poverty and the actual distress is appalling, and we are doing our best out of our spare means to assist. But in spite of a good deal that is discouraging, I am confident the world is slowly working through its troubles; there is an increasing disposition to face and accept the facts industrially and internationally. The natural disinclination of human nature to admit unpleasant facts has, at Home, provoked industrial troubles, and, abroad, fierce outbursts of protest. But gradually the world is passing through its usual experience of first of all denying the existence of palpable realities and then settling down to act upon them. It is a distinctly encouraging fact in the international situation that there is an increasing impatience with those who, from whatever motive, seek to keep the world in a state of turmoil and tension. There is a widening and deepening conviction that the world must have peace if it is ever to recover health. Some of the most troublesome and menacing problems of the peace have either been settled or are in a fair way of settlement. You must have watched with close interest the developments of the last couple of years in Europe, the series of conferences, and gatherings, and assemblies of all kinds where we were trying to carry out the terms of the Peace Treaty, and to settle the various difficulties that arose in consequence.

GERMAN DISARMAMENT.

There were two questions that gave us great anxiety: one was the question of the disarmament of Germany, and the other was the question of reparation. There were other important questions, but these were the two questions around which most of the controversies centred. The disarmament of Germany, I think, may be stated to be a settled problem. The German fleet has disappeared, and so has the Austrian. The German army has disappeared as a great powerful force. It numbered millions; it now numbers a little more than 100,000 men. It had tens of thousands of guns, great and small; it has now got a few hundreds. It had an enormous number of machine guns and trench-mortars; these have gone. Millions of rifles—they surrendered about thirty million rounds of big ammunition—all that has gone. It is true they have still got some rather irregular formations which we have not succeeded in completely getting rid of. It is not so much Prussia that is giving us trouble as Bavaria. That difficulty will, I think, be overcome in a very short time. So that the problem of disarmament, which was a very vital one, because so long as Germany had a big army and big armaments there was no guarantee of peace, will disappear.

REPARATIONS.

The other problem is the problem of reparation. No one knows better than Mr. Hughes the practical difficulties surrounding that problem. It is not a question so much of adjudicating claims; it is a question of how you are to transfer payment from one country and make it in another. As Mr. Hughes knows, that problem baffled all our financial experts and the financial experts of all countries in Paris, and it is only after two years that we have hit upon an expedient which seems on the whole to have given satisfaction to all moderate and practical men in European countries. So far as we have been able to gather, that is the view of the Dominions. We shall probably hear something about it, because they have a very direct concern in it. Germany has accepted a very practical plan of liquidating her liabilities. France has accepted; Italy has accepted; and the public opinion of this country has also accepted: so that the two most troublesome problems are either settled or in a very fair way of being adjusted.

OTHER DIFFICULTIES.

There are two remaining difficulties, one of which is the fixation of the boundaries of Poland, partly in Lithuania and now in Silesia. I am not going to anticipate what will be said upon that subject; therefore I am only mentioning it. The second difficulty we have had has been the making of peace with the