

World and in our very complete economic affiliation to the United Kingdom. By reason of these facts we are relieved to a considerable extent from the apprehensions and the perplexities of less-favoured countries, and are thus enabled to devote our attention to the everyday affairs of our own national existence without an undue regard to international friction. But that the possibilities of such friction still exist I, for one, have no doubt, and it is the duty of the Prime Minister of this country to take such steps as the international situation may require to provide for every possible eventuality. Our safety, of course, depends very largely, if not entirely, upon the British Navy, and, though we shall welcome any progressive and common reduction in the heavy burden of national armaments, the day has not yet, in our view, arrived when it is possible to ignore the necessity of naval defence. Our prosperity in New Zealand—and, indeed, our safety—depend almost entirely on the prosperity and the safety of the United Kingdom, and it is unfortunately a fact that the United Kingdom is not able to adopt the detached attitude with regard to international affairs that our more fortunate position enables us to take. On these important subjects of defence and foreign policy I think it will be generally agreed that we must to a large extent be guided by the experience and the necessities of the United Kingdom.

Honourable members have had laid before them the text of the London Naval Treaty of 1930, which embodies an agreement between the three great Naval Powers—Great Britain, the United States of America, and Japan—and the partial agreement of France and Italy. The Treaty marks an important step in naval disarmament and accord between the great Naval Powers, and will, of course, enable His Majesty's Government in the United Kingdom to effect substantial economies. The New Zealand Government are at present awaiting the full report of their representative at the Conference (Sir Thomas Wilford), and this is expected almost immediately. I feel I am expressing the feeling of the great majority of the people of this Dominion who have given consideration to the vital question of naval defence, that the adequate protection of the sea-borne trade of the British Commonwealth is a matter of paramount importance, especially to a country like New Zealand, which is wholly dependent upon this means of transportation of her export products to the great markets of the world. Therefore any material diminution of naval strength in this respect must give cause for very serious thought. It must be remembered, too, that some of the provisions of the Treaty have met with criticism by acknowledged naval experts of high standing in the United Kingdom. But, while we in New Zealand may have some misgivings regarding the wisdom of these sections of the Treaty, it should be borne in mind that the cost of the British Navy is almost wholly borne by the taxpayer of the United Kingdom, and not by us.

I do not wish to say more than a word or two concerning the Singapore Base. As I have already advised the House, this matter is to receive consideration at the Imperial Conference, and it would be premature to discuss the matter in any detail now. The Government—and, I think, the people of New Zealand—have been impressed with the necessity for a base in the Pacific from which the British Fleet could operate should the occasion unhappily arise. We have shown the importance that we attach to this question by a substantial annual contribution towards the cost of the base, of £125,000 per annum, with a maximum of £1,000,000, and we have in nowise altered our opinion in that respect.

Turning now to the economic side of the agenda, we have, first of all, the highly important subject of inter-Imperial trade. The Government fully recognize the importance of this subject, which is equalled only by its complexity and its difficulty of approach. The position of New Zealand is a remarkable one, inasmuch as our economic prosperity—and, indeed, our existence—is almost entirely dependent upon the sale of our primary products in the United Kingdom. Anything, therefore, that disturbs our market in that country has an immediate effect upon New Zealand, and thus from material interests alone—a basis upon which I certainly do not wish it to be understood that we rely—we must deeply deplore the existing depression in Great Britain. We are, of course, a small community; we have our own economic difficulties, and there is, perhaps, little that we can do to assist the Old Country. It will, no doubt, be sufficient for me to say that, quite apart from our own