

circumstances of to-day my Advisers have most reluctantly been forced to recognize the fact that a full and effective application of the Covenant is, for the time being, impracticable. My Ministers fervently trust, and still believe, that peace can be maintained, without injustice and without sacrificing those ideals of freedom and democracy which are the essential basis of the national life of this Dominion and of the whole British Commonwealth, and, while they are determined to resist aggression, they will always be ready to assist in any peaceful discussion of existing difficulties.

My Advisers fully realize the duty incumbent upon them to prepare against all possible contingencies, and to put this country into a condition to defend itself against the possibility of attack. They have accordingly, for a lengthy period past, been much preoccupied with the problems involved in this connection. Extensive preparations, both civil and military, have been undertaken to enable this Dominion, should the need arise, to turn, without unnecessary confusion, from a peace to a war basis, and the situation of the three armed services has been constantly under review.

For the consideration of the wider problems involved, the Pacific Defence Conference, which was called at the invitation and suggestion of my Government, and at which representatives of His Majesty's Governments in the United Kingdom, in the Commonwealth of Australia, and in New Zealand, and of the Government of Fiji, conferred upon their common problems, has recently completed most useful deliberations in Wellington. My Advisers are at present in communication with the other Governments concerned as to the practical implementation of the recommendations of this Conference, and they readily recognize the debt of gratitude they owe to those distinguished experts whose advice was so fully and freely placed at their disposal.

My Ministers have inaugurated a further programme of naval development, including the provision of a post-recruit training-centre in connection with which three seagoing training-vessels of modern type are to be built, and will be available in war for mine-sweeping and anti-submarine duties. Dockyard-repair facilities are being further strengthened, and reserves of oil fuel and stores increased.

Special attention continues to be directed to the strengthening of the Dominion's land Forces, and to the provision of the necessary armaments, ammunition, and equipment. My Government have decided to increase the establishment of the Territorial Force from a total of 9,500 to 16,000 and at the same time to establish a National Reserve, and my Prime Minister has made a public appeal for recruits for these purposes. It is the intention of my Government to do everything in their power to make the land Forces of New Zealand worthy of the pride and the confidence of the country. The people of this Dominion, my Advisers believe, will readily realize the necessity for defence and the impossibility of taking adequate steps for this purpose unless those who are fit and competent look upon it as a privilege to share this burden and voluntarily come forward in sufficient numbers. My Advisers urge this duty upon all.

Special efforts are being made to improve the conditions of the Territorial Force, and serious attention is being paid to bringing its training into line with modern development. Armoured motor-vehicles are now arriving in the Dominion, together with supplies of the latest type of machine gun. With the exception of the Horsed Mounted Rifle Regiments, the mobile portion of the Forces is now fully motorized, and it is hoped that within a short time it will be fully mechanized. Opportunity was taken of the visit to New Zealand, as a representative of the United Kingdom at the Pacific Defence Conference, of Major-General P. J. Mackesy, C.B., D.S.O., M.C., to obtain from him a detailed and most valuable report on the land Forces of New Zealand, and this report is now receiving the careful consideration of my Ministers.