

My Advisers consider the revolutionary character of Communism to be the chief menace to international peace, and they feel bound to accept the fact that if the democratic nations are to defend their liberties successfully against attack they must willingly and resolutely shoulder the heavy burden of rearmament which the threat of aggression imposes upon free peoples everywhere.

When the United Nations decided to resist by force of arms the aggression of the North Korean Communist regime, afterwards openly supported by the Chinese Communists, New Zealand was among the first countries to offer to join in the United Nations' action, and our forces have served with distinction on sea and on the land. My Government welcomed the resolute leadership of the United States, and is gratified that the land forces of New Zealand and other Commonwealth countries are now being grouped together as a division.

Welcome progress has been made towards the conclusion of a Japanese peace treaty. In conversations held in February on this subject by the Prime Minister in Washington, by the Minister of External Affairs at Canberra, and also during the visit to Wellington of Mr. John Foster Dulles, Special Adviser to the President of the United States, it was emphasized that security from the danger of a resurgent Japan was New Zealand's prime interest. Moreover, in the meeting with Mr. Dulles at Canberra and in the further discussions with him at Wellington, a mutual security arrangement between the United States, Australia, and New Zealand was canvassed. The direction recently given by the President of the United States to pursue further the question of such an arrangement has given much satisfaction to the Government.

My Prime Minister had a special opportunity, at the Commonwealth meeting in London in January, and in discussions in other capitals, to obtain a broad and authoritative appreciation of the state of the world to-day. He was able to observe the substantial measures which are being taken by the United Kingdom, the United States, and other member Governments of the North Atlantic Treaty Organization to increase their state of readiness. The action of the Government and people of the United Kingdom in accepting a greatly increased burden of armament are an earnest of the gravity of the situation.

In the light of the present world situation and in order that our own state of readiness can be increased, my Advisers have deemed it necessary that changes should be made in the compulsory military training scheme. Legislation will be submitted to you to enable this to be done. Valuable experience has been gained in the operation of the scheme to date, and, with the posting of trained servicemen from the first two intakes of recruits, the field units of the Army and the reserve formations of the Navy and Air are taking firm shape. The Minister of Defence is now in London attending a Commonwealth meeting on defence, and consideration will be given there to the plans for the employment of our forces in emergency.

It is a matter of regret to my Ministers that the industrial crisis has caused a drastic curtailment of the normal activities of the Armed Services, but, with the progressive improvement in the situation, it is now possible for the Services to give attention to their primary duties. The response of the servicemen to the conditions created by the emergency has been a matter of great satisfaction to my Ministers. Their efforts have resulted in the maintenance of those supplies and services which are essential to the livelihood and well-being of the community.

The rearmament programmes of the United Kingdom and other countries of the world involve a substantial diversion of raw materials and other essential goods. As the supply of these goods to New Zealand will be affected, my Government decided that the Minister of Customs should proceed on a special mission overseas to explore the supply situation generally.