

At the conclusion of the meeting of the Imperial Conference my Prime Minister visited the graves of our soldiers in France and Belgium. He was deeply impressed by the care and attention which have been exercised by the Imperial War Graves Commission in carrying out the work entrusted to their charge.

The opening of the Federal House of Parliament at Canberra in May last was an event of outstanding importance in the history of the sister Dominion of Australia. New Zealand was represented at the ceremony by the Honourable the Minister of Lands, through whom New Zealand's congratulations to the Commonwealth were transmitted.

At the Assembly of the League of Nations at Geneva last year the Dominion was represented by the Right Honourable Sir Francis Bell and by the High Commissioner. The most important event at this meeting was the admission of Germany as a member of the League, with a permanent seat on the Council. A report of the proceedings has been prepared and will be laid before you in due course.

During the recess the Minister of External Affairs has visited the Mandated Territory of Samoa and personally discussed with the Administrator and the inhabitants of the Territory matters pertaining to the welfare of both races. The continued progress of the Native population in their conditions of livelihood, their general prosperity, and their confidence in the administration of their affairs are matters for satisfaction. It is gratifying also to know that the reports furnished to the League of Nations in accordance with the terms of the mandate held by New Zealand have earned the commendation of the Permanent Mandates Commission of the League.

At the instance of President Coolidge a Disarmament Conference has commenced its deliberations at Geneva. My Ministers have arranged for the Dominion to be represented by the High Commissioner, Admiral of the Fleet Earl Jellicoe, and Rear-Admiral Beal.

MR. SPEAKER AND GENTLEMEN OF THE HOUSE OF REPRESENTATIVES,—

The results of the financial year ended on the 31st March last are very satisfactory, especially so in view of the uncertainty of the financial position during the period. The surplus of revenue over expenditure amounted to £587,000. Part of this surplus has been utilized to reduce the public debt, and the balance carried forward to meet any extraordinary demands that may arise during the present year. My Ministers are of opinion that in view of the general and financial outlook for the current year rigid economy must be maintained. To this end my Ministers have again arranged for a special Committee to scrutinize carefully the estimates and report as to the measures to be taken to ensure economy and strict control of expenditure.

A further loan of £6,000,000, issued at £99 10s. per cent., bearing interest at 5 per cent., has been successfully floated in London, and the proceeds will be devoted to the construction and improvement of railways, hydro-electric-power stations, and other public works designed to assist in the development of the productive power of the Dominion.

I mentioned in my speech at the opening of the last session of Parliament that in connection with naval defence my Advisers were of the opinion that more should be done before New Zealand could claim to have taken her fair share of the burden of the defence of the Empire. In the discussion at the Imperial Conference the Prime Minister of Great Britain stated emphatically that the best form of assistance that the Dominions could give would be by way of a contribution to the cost of the naval base at Singapore, and my Advisers intend to submit proposals in that respect for your consideration.

For the purpose of co-ordinating and regulating the borrowing of local authorities, and of giving local governing bodies the benefit of expert advice, a Local Government Loans Board Act was passed last year. In pursuance of the Act a representative Board has been appointed and has taken up