

of this vital subject to a future Economic Conference to be held at Ottawa, have given my Advisers much concern. The subsequent postponement of this Economic Conference from the date originally suggested in August of this year until 1932, which will allow more time for the formation of public opinion upon the necessity of a common economic policy among all members of the Commonwealth, is not regarded by my Ministers as entirely disadvantageous.

On the 21st May, in common with other Governments of His Majesty, my Government notified their adherence to the General Act for the Pacific Settlement of International Disputes, a convention formulated under the auspices of the League of Nations, by which all signatories bind themselves to refer any international dispute that may arise either to arbitration or to judicial settlement, as the case may be. In view of the undoubted improvement in international confidence resulting from the increasing acceptance of the General Act and other steps towards the peaceful solution of international disputes, my Ministers earnestly trust that the Disarmament Conference to be held next year by the League of Nations may result in some general and effective reduction in armaments, which are not only a menace to the peace of the world, but involve a heavy financial burden, and are, in the opinion of my Ministers, a factor in the present widespread depression.

In April, 1931, Colonel S. S. Allen resigned his appointment as Administrator of Western Samoa, and Brigadier-General H. E. Hart was, on the advice of my Ministers, appointed to this post. The marked improvement of conditions in the Territory indicates the success of Colonel Allen's administration.

The difficulty of disposing at a profitable rate of the Dominion's principal products was intensified last year by tariff alterations in Canada, which increased the import duty on New Zealand butter formerly admitted into that Dominion, in common with Australian butter, at a rate of 1 cent a pound, to 8 cents a pound. My Ministers have for the past twelve months been endeavouring to initiate negotiations by which this and other trade questions at issue between the two Dominions might be satisfactorily adjusted, but they have been unable to arrange for effective conversations. They have therefore been obliged to consider whether, in the present condition of the finances of this Dominion, they would be justified in continuing the admission of Canadian goods into New Zealand at British-preferential-tariff rates, which involve considerable remissions of duty on the entry of Canadian goods and which have facilitated an increase in Canadian importations into New Zealand to a value far exceeding that of New Zealand importations into Canada, even during the currency of its maximum trade in New Zealand butter. My Advisers have reluctantly been forced to the conclusion that in existing circumstances the benefit of British-preferential-tariff rates on Canadian goods must be suspended until arrangements can be made to ensure a more even balance of trade between the two Dominions. Action has been taken accordingly, but the matter is still the subject of communication with His Majesty's Government in Canada.

Prompt steps were taken by my Government to deal with the many problems arising out of the Hawke's Bay earthquake disaster. Moneys were made available immediately to ensure that proper provision was forthcoming for those in urgent need. A public fund for the relief of sufferers was opened and a most generous response was made both in the Dominion and elsewhere. This fund, which is being administered by a Central Committee, is being used for the immediate relief of distress and the restoration of homes. The rehabilitation of the residential area is proceeding expeditiously, and practically the whole of the former population of the devastated area have returned. To assist in rebuilding the business area, the Government have obtained statutory authority to provide the sum of £1,250,000 for individuals, and £250,000 for local bodies, in need of assistance. A Rehabilitation Commission has been set up to consider applications for assistance and to make such recommendations as it sees fit. Many difficult problems will arise in adjusting the rights and liabilities of parties affected by the earthquake. The Government have accordingly set up, under