

passed, that one should give some review of what has taken place in one's own Dominion during that period. There are also certain points I desire to deal with in connection with naval defence and the Singapore Base which, of course, is a question of primary importance to Australia. It is of the very greatest possible importance to every part of the Empire, in view of the expanding trade which all parts of the Empire are now enjoying, that the trade routes of the world should be ensured in the event of hostilities breaking out so that our trade will not be dislocated.

Defence Policy of Australia.

I would first like to deal with the position as it is in Australia, and what we have done, particularly in view of the fact that we waited until the 1923 Conference had been held to determine upon our defence policy and to lay down the programme we proposed to carry out. The decisions of the Imperial Conference held in October, 1923, in so far as defence is concerned, coincide with the principles upon which the policy of Australian defence of recent years has been based, the crucial point being that the primary responsibility of each Dominion is to provide for its own local defence.

Ordinary Expenditure on Defence Force.

The ordinary expenditure for the maintenance of our local Defence Force—Naval, Military, and Air—now amounts to approximately £5,000,000 annually. That is the ordinary expenditure.

Developmental Programme.

In addition to this annual expenditure, the Australian Government, after very careful consideration of the question of defence generally, and with the object of establishing a definite defence policy upon a sound basis, approved in July, 1924—that, of course, being after the Imperial Conference of 1923, and after we had had an opportunity of considering the decisions arrived at at that Conference—a developmental programme extending over five years, at a total cost of £5,000,000, not including the capital cost of naval construction. That is an ordinary programme of £5,000,000. In addition, a developmental programme for which £1,000,000 a year is provided, and in which we are now in the third year, was also inaugurated. That developmental programme has proceeded in the following way :—

The Navy.

The enlistment and training of personnel to provide for the manning of two submarines which will be commissioned towards the close of 1926–27, and the subsequent commissioning of two new cruisers and one seaplane carrier; the filling of one 8,000-ton oil-tank at Darwin, and the training of an additional number of Naval Reserve trainees.

Military.

On the military side, the developmental expenditure includes the purchase of equipment, guns, ammunition, &c., to complete the requirements of the field force; the provision of storage and magazine facilities, and additional training for the citizen forces generally.

The position in Australia with regard to munitions is that we are going forward, as I will show in a few minutes, trying to bring ourselves to the furthest possible point of providing for our own requirements over a very considerable period. In order to reach that point it is essential that we should build up a munitions-supply, so that should hostilities at any time break out we have at least got the necessary munitions to cover our existing military establishments, and part of this £1,000,000 a year is being employed to add something each year so that at the end of the five years we shall have reached the point we have set ourselves to reach—of being able to meet any immediate emergency which might arise.

Air Force.

In the Air Force the additional money which comes out of the £1,000,000 special expenditure is for building and works generally, to provide additional personnel and equipment, and for the training of the additional personnel for the establishment of new squadrons to be formed next year. Civil aviation, which links with military aviation through the necessity of providing air-bases, landing-grounds, and other requirements throughout the whole of the continent, is being dealt with by air-route subsidies. In addition, we are doing a great deal of work in connection with the preparation of landing-grounds and other requirements, and also the establishment of aeroplane clubs.

On the Munitions Supply Branch, which deals, of course, with the work we are doing in Australia towards the establishment of our own munitions-supplies, additional machinery and plant are being installed for the manufacture of munitions, and also for the maintenance of nucleus munition-factories, which we are building up under a continuous programme.

Special Expenditure on Naval Construction and Aircraft Equipment.

In addition to the £5,000,000 for developmental purposes, the following special appropriations have been made since the 1st July, 1924, and all these are really part of the five years' programme we then laid down, to try and reach a certain point at the end of the five years' period :—

£5,500,000 for naval construction, which includes two 10,000-ton cruisers, building at Glasgow, to be commissioned in 1928; two ocean-going submarines, building at Vickers, to be commissioned in 1927; a seaplane carrier of 6,000 tons, building at Sydney, to be commissioned in 1928.

£500,000 for the purchase of arms, armament, &c., and the survey of the Great Barrier Reef.

£250,000 for the purchase of aircraft equipment, provision of Air Force accommodation, &c.