

the great nations of the world must follow their example. What hope does such a prospect hold out to the war-weary world? To stop naval construction pending a permanent settlement of the basis for naval power will not prejudice their interests. The relative strength of each will not be affected by stopping now. I do most strongly urge you to set an example, speaking as you will be able to do on behalf not merely of England, but on behalf of all those free nations whose representatives are gathered here. Let us show to the world that these young nations gathered round this table have resolved to make their entrance into world politics by setting an example which the world has long wanted. I am not without hopes that such an invitation on your part, and such an example on ours, would be provocative of great good and prove to be the turning-point in the world's history.

NEED FOR ADEQUATE NAVAL DEFENCE.

I now come to the last point with which I intend to deal at length, and that is naval defence. Whatever may be agreed upon, one thing is clear, that we must have such naval defence as is adequate for our safety. Naturally, the amount of force necessary to ensure our safety in a world which has agreed to suspend naval construction—a world in which the three great Naval Powers have, for example, come to such an understanding as would have the force and effect of an alliance—would be much less than in a world which resounds with the clang of hammer beating into shape bigger and still bigger navies. That applies, too, to the renewal or non-renewal of the Anglo-Japanese Treaty; but in any case we must have such naval defence as is necessary for our security. The war and the Panama Canal has shifted the world's stage from the Mediterranean and the Atlantic to the Pacific. The stage upon which the great world drama is to be played in the future is in the Pacific. The American Navy is now in those waters. Peace in the Pacific means peace for this Empire and for the world.

With an agreement between three great Naval Powers—or, at worst, between two—then the force necessary to defend this Empire by sea—and that it rests on sea power is certain, and I am never tired of repeating this most significant fact to those who are apt to forget how the British Empire came into being and has been maintained—would be much less. But whatever it is we must have it.

PART OF DOMINIONS IN EMPIRE DEFENCE.

And now one word about the part of the Dominions in Empire defence. You, sir, said some time ago that Britain had paid so dearly for victory and was groaning under such a crushing burden of debt that it could no longer alone be responsible for the defence of the Empire by sea as it had heretofore, and that the other parts of the Empire must do their share. To that doctrine I subscribe without reservation. I think it is the corollary of our admission into the councils of the Empire to determine the foreign policy. The foreign policy determined or approved by us at this Conference may lead to war. In any case the foreign policy of a nation must be limited by its power to enforce it, whether that power be wholly resident in itself, or come from an alliance, or from the League of Nations. The ambitions of men and nations are curbed by their material power. In our case sea power is, and must always be, the determining factor of our foreign policy. Now, we cannot fairly ask for the right to decide the foreign policy of the Empire and say that we will have no part whatever in naval defence, we will not pay our share. If you ask me what is our share, I say frankly that I am not prepared at this moment to indicate it. We can do that when we come to deal with the matter in detail; but one principle seems to emerge, and it is this: I do not think that our share *per capita* should be as great as Britain's share *per capita*, because Britain has Crown Colonies and Dependencies, and India, to defend. But whatever is our fair share should be borne upon a *per capita* basis by all the Dominions. That, I think, is the only fair and proper basis. If the converse be conceded for a moment, and some pay more *per capita* than others, then I do not understand the basis of union amongst us. Dangers to the Empire or to any part of it are to be met surely by unity of action. That is at once the principle upon which the Empire rests and upon which its security depends. The Dominions could not exist if it were not for the British Navy. We must not forget this. We are a