

stated. Beginning with those in favour of federation, the principal points are :

(1.) Intercolonial freetrade. Upon the imposition of uniform duties of customs by the Commonwealth Parliament, trade and intercourse between the States will become absolutely free. As the greater part of the revenue of the Commonwealth for some years to come will be raised by customs duties, there can be doubt that the federal policy will be protection against the world, and there is no reason to suppose that New Zealand, standing apart, will be favoured above other countries. The effect of this throwing open by the States of their markets to one another, and setting up a high tariff against the products of this colony, will in all probability cause a considerable diminution in our trade with Australia. It will affect more or less injuriously the small agriculturists, the shipping trade and all those connected with it, and the injury done to them will re-act on others. The bulk of the trade so stopped could not be diverted to other countries.

(2.) The conversion of the public debt.—If the Federal Government could convert the loans of the States and raise future loans at a rate of interest less by from one to two per cent., as is confidently anticipated from the example of Canada, it would enormously lessen the burdens of the taxpayers by the large saving effected in the payment of interest.

(3.) The guarantee of defence from foreign invasion and the danger of isolation.—The Federal Government is bound to protect every State from foreign invasion. It has been said that this is an era of big States and huge armaments. Small States are without importance or influence, and merely exist by the sufferance of the more powerful. The tendency is towards aggregation, and it is wiser to become an inconsiderable, though still important, part of a large federation, than stand aloof from it and be dominated and overshadowed by its proximity. We cannot always rely upon the protecting axis of Great Britain.

(4.) The dignity derived from citizenship of a great country, Sir Charles Dilke has said, is a point, the importance of which will not be contested by anyone who has been in America since the war. He also thinks that federation would tend to secure better local and general government.

(5.) The prosperity achieved by the United States and Canada under federal constitutions, which cannot be compared to that of the Australian Commonwealth for liberality and freedom, and the state of insolvency of Newfoundland, the only State that has stood out of the Dominion of Canada.

On the other side of the question some of the main points are :

(1.) The distance from Australia.—The fact of New Zealand being 1200 miles from the continent and the seat of Government, would militate against its representation in Parliament by its best citizens, many of whom are actively engaged in professions or business, and could not afford to be absent from the colony for the length of time which parliamentary duties would require. The distance of the seat of Government would be apt to cause discontent, and a feeling that the interests of the Continent would be paramount, and would chiefly engage the attention of Parliament to the detriment of this colony.

(2.) Trade will find its natural channels, and Australia will not be able to shut out commerce. Our trade with Australia is considerable and increasing, but represents only about one eighth part of our trade with all countries. The bulk of our trade is with the Old Country, and must for some years continue to be with it and with the continent of America, the United States even now trading with us to an amount exceeding £1,000,000 annually. While the opening to us of the markets of all Australia is an advantage, that advantage may be outweighed by the opening of our ports to the products of the continent. We may have more to gain by conserving the right at all times to protect our industries, and to make treaties of commerce with other countries, than by becoming bound by the policy of the