

Saddlery to the value of £63,735 was manufactured in New Zealand in 1895, whereas the imports last year amounted to £22,705, of which over ninety per cent. came from England, Germany and America. To assume that under free trade conditions Australia, after paying freight, could undersell locally made saddles, is to despise the industrial abilities of our people.

I find, moreover, on enquiry that the rate of wages in the boot trade, as indeed in most other trades, tends to an equality throughout the colonies, and while the free trade policy has resulted in a diminution of wages in the clothing and waterproof factories in New South Wales, the imposition of a tariff by the Federal Government, and the consequent increase of wages in New South Wales, would give the manufacturers in that colony little advantage over those in New Zealand.

The value of furniture manufactured in New Zealand in 1895, amounted to £85,327, and last year £46,210 worth was imported; thus a large proportion of the furniture used in the colony is of local manufacture. New Zealand has such a variety of ornamental timbers that she ought to produce more furniture than the other colonies, but the export of furniture by reason of its bulk entails such heavy charges in freight that most of the furniture used in the colonies is locally manufactured. Of the furniture imported last year, £15,000 worth consisted of kapok and "unenumerated goods," and of the residue but an inconsiderable proportion came from Australia. It is ridiculous to state that the shoddy manufactured by Chinese and Japanese in Queensland will displace the substantial furniture made out of New Zealand woods.

Thus only a small proportion of those engaged in industrial pursuits are likely to be disadvantageously affected by the proposed intercolonial freetrade, while the proportion of the total number of breadwinners (249,545 in 1896) likely to be so affected, is inconsiderable. On the other hand, our 90,546 primary producers, our 42,166 colonists engaged in trade and commerce, and our 15,857 professional men will reap benefits from Federation, that will raise the standard

of comfort in the colony to a level hitherto undreamt of.

New Zealand's insular position renders an efficient naval force essential to her security in time of war, and, while there is much truth in Major-General Edwards' contention that "local defence will not suffice for the needs of a commercial country," and that "the real defence of the Australian Colonies and their trade will be secured by the existence of fleets, thousands of miles from their shores," yet we cannot shut our eyes to the fact that Russia and France and Germany maintain considerable navies in the Eastern seas, and that China and Japan have recently placed contracts with European firms for the construction of battleships, cruisers, and torpedo boats of the most modern type; thus, in the near future, both these powers will possess navies that will probably change the aspect of the Eastern question. The increased naval expenditure of the European Powers renders necessary a corresponding expenditure by England, and, while the protection of her food supplies compels the maintenance of navies in Australian and American waters, yet the efficiency of the Australian Squadron has only recently been questioned, and it is never likely to be increased to such a strength as will defy any probable combinations of the Foreign Fleets in the East. Thus, the building of a navy, to be controlled by Australasia, and for the protection of Australasian shores, is a work that will have to be faced in the near future, and no State would benefit more than New Zealand by the existence of such a protection. Moreover, New Zealand's strategic position, as "key of the Pacific," would make her the object of attack by a hostile power, while her many excellent harbours, and her coal supplies, peculiarly fit her as a base of concentration for an attack on the Australian Continent. Should a naval attack on Australia be planned at any time, New Zealand's isolation would jeopardise her own existence and menace the security of Australia.

Many assert that the 1200 miles of sea that separate New Zealand from Australia