

speaking of Federation and its effects on New Zealand, and he confessed that he was afraid, from a manufacturing point of view, that it would be disastrous, for he said: "I saw Chinese furniture, manufactured of Kauri, and sent from Melbourne, offered for sale in your shop windows in Queen Street, Auckland; and when I considered that the Kauri grew in New Zealand, was exported to Melbourne, manufactured there, sent back to New Zealand, and paid $22\frac{1}{2}$ per cent. duty, and yet competed with the home-made article, I felt that Free Trade would not be a boon, or a blessing, to New Zealand artisans."

The Colony of Victoria is our greatest competitor in the butter industry, and all the older Colonies in the frozen meat industry. They can manufacture on better terms than ourselves, and can import at 33 per cent. less freights than New Zealand, which is handicapped through having so many ports of call for the "ocean tramps" in order to secure a full cargo, necessitating a considerable amount of steaming and consequent increased expenses. Melbourne and Sydney, on the other hand, are the only ports for foreign trade in the two Colonies. This is the outcome of steamship combinations, and there is nothing on the face of it to prevent Sydney importing English-made goods, remarking them as of colonial manufacture, and sending them across to New Zealand at a less cost than we could import the goods direct from Europe. American prison-labour goods have already found their way into this Colony, and of course, as long as the goods pay cost of material that is all that is looked for. It seems rather rough on our manufacturers that, although every state in the American Union has barred their own prison-labour goods from being sold in the States, and thus competing against "free labour," they are imported into these Colonies to the detriment of the Mother Country and our own manufactures. Now, as we are at present we can place a prohibitive tariff against these goods, but as part of the Australian Commonwealth there is nothing to prevent Sydney introducing these goods, and ship-

ping them across to New Zealand as a free port. The cheap labour goods of Japan are going to be strong competitors against British trade with the Colonies, and must tend to make the toiler's lot in the Old Country harder than at present. Already our merchants are importing Japanese goods, and specially Japanese matches, to the detriment of the match industry of this Colony, and they find it necessary to do this in order to compete against the goods "Made in Germany."

Not to dwell on the question of commerce, the Commonwealth would control the army and navy in these waters, and the Commander-in-Chief of the Army and Admiral of the Navy would reside at the capital of the Commonwealth. Those who remember the troubles they endured as soldiers in New Zealand under the control of military authorities in New South Wales, when sometimes six months elapsed before replies were received touching military matters, would not willingly care to be controlled from that quarter a second time, notwithstanding that we are now in touch by cable, which in war time might be destroyed, and are only four days' steaming from headquarters. If any trouble arose it would be quite possible for disaster to come upon us through want of communication with Australia, as it did at Nicolson's Nek the other day, when 1,500 men had to surrender owing to inability to make known their position at headquarters at Ladysmith, only a few miles distant.

In naval matters, however, I consider that we should suffer more severely as part of the Commonwealth. That Australia wants to control a navy in these waters, is evident from the effort being made to establish a Naval Reserve. This idea is scouted by the *Times* and other papers in Great Britain. The conditions existing in these Colonies are such that a century must elapse before we could have a navy, however small, brought to the state of discipline, efficiency and effectiveness that now obtains through constant instruction at Whale Island of the best men out of a large navy, who, in their turn,