

United States, and direct trade between the two countries is steadily increasing. It depends altogether upon New Zealand whether it will stimulate the commercial intercourse or let it drag in an era of the keenest business competition and rivalry. A great many of your natural products may find a paying market in the United States, especially furniture woods, which are now practically unknown; and with regard to manufactures, your woollen cloths would stand almost unrivalled. Flax is on the free-list, to the great advantage of New Zealand, and the McKinley Tariff also makes free of duty "all forms of cabinet woods in the log, rough, or hewn." There is a great scarcity of native woods for cabinet-work in the United States, owing to the reckless destruction of the virgin forests, and failure to plant to repair the waste, and a full display of New Zealand furniture woods would probably result in orders for this country.

These are only a few of the considerations which might be suggested, but there is another which I venture to think should not be overlooked. The United States has taken a new departure in commercial legislation under the reciprocity sections of the McKinley Tariff, and although the interchangeable articles are limited to tea, coffee, sugar, and hides, so far as this country is concerned, the success which has already attended this policy, restricted as it is, will naturally induce Congress to enlarge the list of commodities to increase American trade with other than sugar-producing countries. Brazil has modified its tariff to comply with American requirements, and Spain has just concluded a convention with the United States giving it the control of its West Indian markets, under pressure of Cuba, which could not have its sugar shut out of the States. Under the spur of this policy several of the British West Indian possessions have refused to entertain Canada's proposals for reciprocal trade, for the reason that it would shut them out of the American market, and, in self-defence, they are moving to be included among the privileged countries under the American commercial system. New Zealand should, I think, be in a position to take immediate advantage of any further modification of the American tariff, and that end would be best attained by giving American manufacturers and speculators an opportunity of acquainting themselves personally with its commercial and industrial resources at the Columbia Exhibition.

I have, &c.,

Hon. Colonial Secretary, Wellington, New Zealand.

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[*Approximate Cost of Paper.*—Preparation (nil); printing (1,300 copies), £1 1s.]

By Authority: GEORGE DIDSBURY, Government Printer, Wellington.—1891.

*Price, 3d.*]