1895.

NEW ZEALAND.

COLONIAL CONFERENCE AT OTTAWA, CANADA.

Presented to both Houses of the General Assembly by Command of His Excellency.

To His Excellency the Right Honourable the EARL of GLASGOW, a member of Her Majesty's Most Honourable Privy Council, a Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Governor and Commander-in-Chief of the Colony of New Zealand and its dependencies:

MAY IT PLEASE YOUR EXCELLENCY,—

Having been appointed by the Executive Council of New Zealand to represent the Government of the colony at a Conference to be held at Ottawa, Canada, on the 21st June, 1894, for the purpose of considering the trade relations and telegraphic communication between the Dominion of Canada and the Australasian Colonies, I received from your Excellency, 23rd April, 1894, a commission empowering me to act as such representative, with authority to confer and deliberate with the other representatives of colonies assembling at the Conference, and to report fully the proceedings of the Conference; and now I have the honour to submit to your Excellency for your information, and that of the Government of New Zealand, my report, and, in doing so, I desire to mention to your Excellency the extremely sympathetic and hospitable manner in which the delegates were received by His Excellency the Governor-General, the Government, and the people of Canada generally. I take this opportunity of again testifying to the hearty welcome given to them, and to the numerous proofs afforded of the interest taken in matters connected with their mission.

Whatever may be the immediate and practical outcome of the Conference, there can be little doubt that, in affording opportunity for representative discussion, it has given impulse and direction to a movement designed for the advancement of Imperial and colonial interests.

Dunedin, January, 1895. A. LEE SMITH.

REPORT.

PART I.—THE CONFERENCE.

PRELIMINARY OBSERVATIONS.

BEFORE entering upon a review of the work done at the Ottawa Conference, it is, perhaps, desirable that some reference should be made to questions which for a long period have more or less engaged attention, and have gradually developed into points of supreme British and colonial interest. What is to be the future position of the colonies in relation to each other and to the Mother-country? Are the outlying portions of the British Empire to continue to occupy the position of a group of detached fragments—parts of a machine which, if properly put together, would possess immense potentialities; or are they to become federated, taking their due share in the moulding of Anglo-Saxon destinies? Such appears to me to be the concrete form which the many theories and discussions on the colonial question in the main assume. It is not too much to say that until the last decade there existed a feeling of much doubt and uncertainty as to the ultimate position in which the colonies would stand in their relations with the Imperial head, and that but little consideration was given to questions bearing upon the unity of interest as between themselves. Twenty years ago there was no such concurrence of feeling and opinion as has lately been exhibited in a manner so decided as to render possible a calling together—almost without demur—of an Imperial and colonial council.

Circumstances of a varying, and, in some sense, almost of an opposite, nature have conspired to bring about this change. To trace the growth of the sentiment which is in such marked contrast to that which formerly prevailed with regard to our Imperial connection would be outside the purpose of this report. But a few considerations may, perhaps, be referred to in explanation of the change which has occurred. Without attaching blame to the Home Governments of the past, it may fairly

be said that their attitude towards the colonies generally was, if not altogether one of negligence, at least one of apathy. And this attitude, whilst it gave the tone to British thought on the subject of colonial possessions, at the same time did much to deaden the sensibilities and destroy the enthusiasm which family ties—with a nation of whose history all must be proud—would otherwise have evoked.

The narrow and anti-Imperial views, or perhaps the absence of any views on the subject at all, which characterized the general bearing of the English people towards us was, under the circumstances above mentioned, possibly somewhat pardonable. As a mass, they knew little about colonial matters, so they very naturally accepted the expressions of their leaders as a guide to their line of thought or conduct. But other conditions conduced to that uninterested state of the public mind. A long period of almost universal prosperity had fostered a sense of security in their insular strength. Trade with countries outside the bounds of the Empire had not only expanded beyond all previous experience, but it had also assumed a more than usually profitable character. Inspired by the idea that England was to be the permanent workshop of the world, her people became permeated with a complete insensibility to the value of national prestige in other directions. There was no contemplation of a time when—the tide of trade receding—features of a very different character would present themselves. The weapons of industry have been largely taken hold of by those industrious races who once were regarded as permanent contributors to British employment. But a restricted field of operations in countries which are now themselves competitors in the world's trade has set in motion a current of inquiring thought as to the ways and means necessary for the maintenance of British supremacy.

The magnitude, resources, and strategic value of the colonial dependencies have come into view. Their attractive features in this respect are becoming seductive to many who once disregarded their claims to admiration. The sentiment of Imperial power and the self-interest of materialism alike are bending to a reconsideration of the potentialities of influence and business enterprise which they possess. Hence it is that the British Press have almost unanimously come round to wider and more comprehensive views on colonial questions; their attitude towards the Ottawa Conference being one of general approval. These facts have not been unnoticed by colonial observers, and they have naturally done much to smooth over the feelings of estrangement which a neglected past had produced. But, again, there have arisen other factors in the work of mutual reconciliation of interest. The "sullen interval of war," with its threatening aspect, that has so long brooded over Europe, has naturally brought into notice the question of defence. Any reference to the dangers that surround the colonies in the case of a European complication in which England should be engaged are needless. They have already been fully recognised in a material form by the steps that have been taken to provide a joint Imperial and colonial fleet.

The allusion is here made for the purpose of pointing to motives which, deriving their origin from the risk of a common danger, have done much to consolidate ideas on Imperial unity. In reality Europe's warlike condition is promoting our confederation, and, whether to our own immediate advancement or not, must continue to do so the more imminent war appears. Further, the results of our own enterprise are, in many forms, making a deep impression on the imagination of the British population. New Zealand frozen mutton, cheese, and butter are invading the markets of every town and hamlet in Great Britain. Steamers of large capacity constantly arriving with colonial produce, raised by a mere handful of population from the fringes of territories almost as large as Europe, have caused an intelligent interest to be taken in our industrial movements. As a result, the yearly stream of travel throughout the British dominions is constantly expanding, and carrying away with it material for wider conceptions of national duties and interest. Finally, and not to step within the boundary of contentious ground, it may be legitimately asserted that the progressive spirit which marks the legislation of the colonies generally is having the effect of bringing them into a political prominence that invests their proceedings with considerable interest in the eyes of the British public.

The foregoing remarks seem to have an appropriate bearing upon the subjects to be dealt with in this report. They have been made with a view to furnish the reader with such general and preparatory matter as will, it is hoped, present the case of the Conference in a light favourable to an appreciative consideration of its objects. The immediate and material aspects of those objects are, however, of small concern compared with the value they possess as an expression of the growth and vitality of a momentous question. They are but the finger-posts that indicate the direction in which British thoughts and aspirations point, and whither Imperial interests will find their best and most permanent expansion.

THE OBJECTS OF THE CONFERENCE: ITS INITIATORY STAGES.

During the past few years it has gradually become a leading theory with many prominent thinkers on colonial questions that the first steps to obtain a popular recognition of the advantages which a closer bond would confer must be in the direction of trade reciprocity. It is felt that self-interest is the only basis on which any movement of this nature can safely and permanently rest. Unfortunately the necessity of providing sufficient revenue, added to the untoward spirit of jealousy which pervaded most of the colonies, has kept out of view some very real advantages that might otherwise have been obtained. The chief object of the Conference was to endeavour to find out whether there were any barriers in the way of commercial interchange which can be dispensed with to the profit of both buyer and seller. Commercial reciprocity is no new idea. It has been tried between communities of strange blood under circumstances that gave little hope of success. But hitherto there has been no effort made to examine the widely-varying commercial and industrial conditions that exist throughout the British dependencies, with a view to discover whether such can be made available to mutual advantage. Later on the various phases which this subject

assumed at the Conference will be referred to; but here it may be stated that this constituted the chief problem to be discussed, and that around it centred the subsidiary questions of the Pacific cable, mail-service, and other minor considerations. Thus the terms in which the invitations to the Conference were issued were "to consider the trade relations existing between Canada and the Australasian Colonies, and the best means of extending the same, and of securing the construction of direct telegraphic cable between those colonies and the Dominion of Canada."

It will be remembered that in or about December, 1893, the Canadian Government despatched their Minister of Trade (the Hon. Mackenzie Bowell) to Australia, for the purpose of making inquiries as to the possibility of closer trade relations being established between these colonies and the Dominion. Unfortunately Mr. Bowell had not sufficient time at his disposal to extend his visit to New Zealand, so that we had not the advantage of having his views put before us in person. But on his return to Canada he made a long and exhaustive report of his mission. Mr. Bowell has had the honour of being in his present official position for several years, and on that ground, and in virtue of other personal qualifications, his views on the subjects he examined are entitled to the highest consideration. Mr. Bowell's report—which is well worthy of study by those interested—was of a favourable character. He showed, in clear and undeniably convincing terms, that there were grounds for further prosecution of the objects in view. His Government, pursuing the same idea that had prompted them to send him to Australia, gave his recommendations a sympathetic hearing, and finally decided to advance the matter still further by forwarding invitations to the several Colonial Governments to attend a Conference to be held in their capital. This appeal met with an almost universally prompt and favourable response, and is the more noteworthy from the fact that the Imperial Government agreed to send a representative. Finally, after some little delay, caused by a desire to meet the general convenience in respect of time, the Conference was fixed for the 21st of June last, delegates from the following colonies being appointed: New South Wales, 1; Victoria, 3; Queensland, 2; South Australia, 1; Tasmania, 1; New Zealand, 1; Cape of Good Hope, 3; and the Dominion of Canada itself, 2. It only remains to be added that the British Government sent a well-known Colonial ex-Governor (the Earl of Jersey) as the Imperial representative.

OPENING OF THE CONFERENCE.

In consequence of a delay caused by a breakdown of communication between Vancouver and the East, through some exceptionally heavy floods which had occurred in the Fraser River, the Australasian delegates were not able to reach Ottawa by the time fixed for the official opening—the 21st June. Postponement was therefore made until the 28th, by which date the whole of the members of the delegation had arrived at the capital of the Dominion. On the morning of the appointed day all the necessary preparations had been completed for the inauguration ceremony, the Senate House being set apart for this purpose. The assemblage in this room was of a most imposing character, arrangements having been made by the removal of desks, benches, &c., to accommodate the large gathering that filled the house, the proceedings being open to the public. His Excellency the Governor-General of Canada—the Earl of Aberdeen—presided, and delivered an address of welcome. He was followed by Sir John Thompson, the Premier of Canada, Lord Jersey, and the other members of the delegation in the order of their respective colonies' seniority of age. The addresses were all of an especially kindly and hopeful character, and the proceedings closed with an address to Her Majesty congratulating her upon having attained the fifty-sixth year of her coronation. The remainder of the day was passed in the enjoyment of agreeable and highly complimentary social entertainments.

On the next day—the 29th—the practical work commenced, members taking their seats at 10.30, in the Minister of Trade's official office. The Hon. Mackenzie Bowell, who has charge of that department, was unanimously chosen to preside. He opened the business by the delivery of a presidential address, in which he reviewed the circumstances that had led to the holding of the Conference, and also spoke at some length on the several subjects that were to come under consideration. The next business was that of deciding upon the order of procedure; the question as to the colonies' powers to make differential treaties between themselves, and the Pacific cable being the first subjects to be dealt with. Eventually it was agreed that notices of motion should be given in order that members should have an opportunity of giving them consideration. The rest of the day was occupied in determining the mode of voting, hours of sitting, and relations with the Press. With regard to this last question, your representative is of opinion that it was unfortunate that the decision to keep the proceedings secret was arrived at. In his view—which he freely expressed at the time—it would have been much more beneficial to have given full information to the Press on all the matters discussed. His feeling was that, as provision had been made to eventually publish a full and official report, it could have done no harm to, at least, have given matters of fact. The President, however, was allowed discretionary authority to furnish such reports to the Press as he might think fit; but, in view of the feelings of the majority of the members, he naturally was very guarded. Hence newspaper correspondents and others who had been specially sent to report were constrained to get what information they could from hearsay sources, with the result that it was, as a rule, very partial, and in some cases quite erroneous.

INTERCOLONIAL RECIPROCITY.

In accordance with the order of procedure determined upon, this subject was the first to come up for discussion at the commencement of the sitting on Saturday, the 30th June. The motion, which read as follows, "That provision should be made by Imperial legislation enabling the dependencies of the Empire to enter into agreements of commercial reciprocity with Great Britain or with one another without foreign nations being entitled to a share therein," was introduced by Sir Henry Wrixon, one of the Victorian delegates. This gentleman is in high repute as a

constitutional lawyer, having, as Attorney-General, succeeded in upholding before the English Court of Appeal a celebrated case in which the Government of Victoria was interested. It was extremely fitting, therefore, that the opening of this subject should fall into his hands. The point of the motion turned on the right of the Australasian Colonies to make differential treaties with other colonies outside Australian waters. The original Constitution Acts only gave authority to levy Customs duties, and specially provided that there should be no differential rates. The law stood in this position for a considerable time, but in 1873, at the request of some of the colonies, the Imperial Government passed a Bill granting power to the Australian Colonies to make differential treaties as between themselves. This did not confer rights to make treaties with any other British possessions, and therefore, to enable these colonies to make a Customs union with Canada, or with any other colony outside Australasia, it became necessary to first obtain an extension of the above-mentioned Act. The motion was seconded by the Hon. Mr. Suttor, representing New South Wales, and a long debate ensued, eventually resulting in the motion being carried unanimously.

It did not appear to the writer that this question demanded very lengthy consideration. It seemed to him clear that, in the first place, without such powers being granted as the motion asked for, no arrangement with Canada could be made; and, secondly, that, as it was naturally to be assumed that no objection would ever be offered to the extension of the limitation above described, the motion might as well have been passed at once. If the principle of allowing a group of colonies to make special and exclusive terms be admitted, there does not appear to be any valid reason why increased distance should be a barrier against its wider application, where Imperial relations are the same. Although the discussion was of value in that it brought out some interesting information as to the negotiations and other particulars connected with the arrangements made between the Cape of Good Hope and the Orange Free State and between Canada and the United States and France, the time spent was perhaps not altogether necessary for proving the desirability of passing the motion.

THE PACIFIC CABLE.

This question formed the subject of the next motion, which had been given notice of by the Hon. William Suttor, the New South Wales representative. It read: "That, in the opinion of this Conference, immediate steps should be taken to provide telegraph communication by cable, under sole British control, between the Dominion of Canada and Australasia." The desirability of having such a line has long been recognised. It first took definite shape as a subject of Imperial importance at the Conference of 1887. The connection then just completed between Vancouver and Eastern Canada, by means of the Canadian Pacific Railway, attracted attention to the advantages which that route offered for effecting quick communication through entirely British territory between Britain and Australasia. The idea then found expression in a resolution which asserted that "A direct line of cable across the Pacific is a project of high importance to the Empire, and that any doubt as to its practicability should be set at rest by a survey;" but it apparently did not meet with very favourable consideration. The Secretary of the Admiralty sent a reply, which, stated briefly, was to the effect that unless there was reason to believe that a submarine cable was likely to be laid shortly, it was not proposed to send any vessels purposely to survey; but that opportunity would be taken to take soundings within the next few years in the ordinary course of hydrographic surveys. On the 8th March, 1888, a resolution, passed at the Postal Conference held in Sydney at that time, was forwarded to the Colonial Office, asking that an early survey might be made at the joint cost of Her Majesty's Government, the Government of Canada, and the Australasian Colonies. Again, however, a reply was sent by the Admiralty to the effect that unless some definite progress was going to be made, and a probability existed of the work being carried out within a reasonable time, they did not see that they were justified in immediately carrying on the survey at considerable cost. From the foregoing it would appear that the British Government did not think the matter of much urgency; and, further, that it expected some sufficiently-advanced scheme of construction should precede any survey. The writer lays some little stress on these points, because they furnish an explanation of the attitude he took in respect of the further prosecution of the matter.

THE IMPERIAL AND COMMERCIAL ASPECT OF THE QUESTION.

The fact that the British Government had been asked to make a survey, and that a resolution passed at the Wellington Conference in 1894, requesting that it should join in a guarantee to be given by Canada and the colonies towards the cable's construction, implies that some Imperial advantages would accrue therefrom. This aspect of the matter requires some examination. On what grounds could English taxpayers be committed to a liability on an undertaking that would come into opposition with private enterprise? The answer to this must supply some reasonable arguments that the step is justified by national considerations. British interests in the Pacific are continually assuming larger dimensions. In the not distant future, they will probably be of more importance than those in any other of her possessions. From a commercial point of view, Australasian trade with England is almost co-equal with that of India, and will, judging from the last few years' increase, shortly exceed it. The trade of these colonies with the United Kingdom is larger than that of any other country—the United States, France, and India excepted. The Pacific Colonies are the woolfields of the world, and, as Great Britain draws the greater portion of her outside supply of that article therefrom, it is of supreme importance that her communication with them shall be reliable in case of war dangers. If the present military situation of Europe continue, it must certainly be that, as time goes on, an increased naval force will be required in Australasian waters. The necessity of being in possession of immediate and reliable control over the disposition of that force must be an evident proposition. Do the present lines of communi-

cation fulfil that requirement? An examination of the conditions that surround them does not appear to give an assurance on that point. The cables are laid across seas over which warlike vessels are continually prowling, and those same seas would probably be the very theatre of naval engagements. The location of these cables is accurately known; they generally lie in shallow waters, and the facilities for intercepting them are near at hand.

These considerations seem to be weighty enough to justify the exceptional claim that is being made on the British Government for assistance towards an independent line. There is no necessity to declaim against the present monopoly of the Eastern Extension Company—all cables must in the first instance be in the nature of a monopoly. That company, however, has no claim to an exclusive possession of the field. It is true that in the first instance it undertook the enterprise on its own account, but it subsequently received large subsidies from the colonies, and is at present continuing to do so. The arguments, therefore, of the chairman of the above company, as to the interference with a private enterprise, in their case falls to the ground. Beyond this answer to the general objection that may be advanced against Governmental support of the cable, there is, however, the certain fact that steps have already been taken to initiate a Pacific line by a company that would be under foreign control. A short time ago connection was made between Australia and New Caledonia by a French company, and under a subsidy from the French Government. This was avowedly stated by the official representative of the company to be the first section of a contemplated through line across the Pacific. So that here a foreign opposition is imminent, with the triple disadvantage that it would compete with the present company—as would the proposed cable—would very probably be unavailable in time of war, and, beyond that, might possibly be used against British interests.

The position, then, of this enterprise is unique. It is surrounded and supported by circumstances that enforce attention to its importance and the consequences which might ensue, were there to be a continued neglect of its claims, on British patriotism. When it is remembered that Imperial defence costs over £30,000,000 per annum, it can hardly be held that—granted a good case—a small liability of a few thousands a year, taken jointly by Canada and these colonies, can be of much moment.

The Hon. Mr. Suttor was followed by Mr. Sandford Fleming, who, although not strictly a delegate, was associated with the Canadian Commissioners as an authority on the cable question. This gentleman, who has taken a long and active interest in the promotion of this work, read a paper to the Conference, in which he set out in great detail the particulars of cost, routes, &c., and generally illustrated both the Imperial and commercial importance of the undertaking. After an amendment proposed by the writer, "That the word 'Australasia' be struck out, and 'Australia and New Zealand' inserted instead," had been disposed of, the Hon. Mr. Playford, of South Australia, gave a long address, detailing the history of Australasian cable telegraphy. Mr. Playford very naturally pleaded the case of his colony, which, as having undertaken to make the overland connecting-link from Port Darwin to Adelaide, felt entitled to consideration in case of any subsidised opposition being established. As a matter of course, he declined to be a party to any movement that prejudiced his colony in this respect, but conveyed the pleasing and loyal instructions of his Government that, if the cable was necessary for Imperial and public purposes, they would support it. All they asked was that, if the new cable was going to be subsidised by the various Governments, South Australia's peculiar position should be taken into account, and her loss minimised as much as possible. Mr. Playford spoke at great length, going fully into the question from every point of view.

The discussion was continued by the Hon. Mr. Thynne, of Queensland, Sir Henry Wrixon, and the Hon. Mr. Fraser, all of whom gave an almost unqualified support to the undertaking. There being no dissension as to the merits of the proposal, questions of route, survey, &c., formed the chief topics of debate, and here great difference of opinion appeared to prevail. It was generally understood that but little had been done to carry out the survey that had been asked for, and, in a partial sense, promised. It has been mentioned that, after the request made by the 1887 Conference, the British Government had undertaken to make soundings in the ordinary course of their marine surveys. But, as a matter of fact, so far as this work could afford them, no data were available on which to form judgment as to the particular route that was preferable, or whether it was feasible at all. Consequently, in this respect the Conference was pretty much in the same position as was that of 1887, insomuch as no decision as to route, cost, &c., could be arrived at, if such were to depend on information obtained by means of a survey.

It was the recognition of this unfortunate and disappointing position that induced the writer to propose a, perhaps, rather extreme measure in order to advance the question; a step, however, which at the time did not meet with any support, the motion embodying it being seconded *pro formâ* only, for the purpose of discussion. Seeing that the Home Government had twice intimated its desire to have some definite proposals submitted to it before agreeing to expedite a survey, and feeling that unless this were complied with the same answer would be given and further delay caused, he gave notice of the following resolutions: "(1) That, in the opinion of this Conference, the most speedy and effective manner in which direct cable communication between Canada and Australasia could be established would be by inviting offers to carry out the work under conditions to be hereafter decided upon; (2) that, with a view to this end, the Canadian Government be requested to solicit offers of plans, specifications, and terms for alternate lines, as indicated by the several proposals submitted to this Conference; (3) that any tenders received be submitted to the several colonies interested, and that any expenses incurred be paid by the said colonies jointly, accordingly to their population; (4) that in the event of the proposals not being satisfactory the several Governments take steps to carry out the undertaking as a national work."

The debate on the original abstract motion ended in its being unanimously carried, the Hon. Mr. Foster, one of the Canadian Commissioners, being the last speaker. The next phase of the

proceedings was a motion by Sir Charles Mills, one of the Cape delegates, in the direction of extending the line to that colony, which was also eventually carried. After this the Hon. Mr. Thynne, of Queensland, submitted his motion in favour of undertaking the construction of the cable as a national work, which, however, was almost unanimously resisted, the result being that it was withdrawn.

Then followed a motion by the Hon. Mr. Foster: "That the Imperial Government be respectfully requested to undertake at the earliest possible moment, and to prosecute with all possible speed, a through survey of the proposed cable route between Canada and Australasia, the expense to be borne in equal proportion by Great Britain, Canada, and the Australian Colonies." This met with the approval of every member but the writer, who, regarding it as a mere repetition of what had been done at previous Conferences, at first opposed the step as being ineffective for obtaining what was required; but, on being generally appealed to not to destroy an otherwise unanimous vote, he, without prejudice to his own proposals, eventually agreed to support the motion.

This cleared the ground for the introduction of the resolutions of the writer in regard to calling for tenders. It was evident from the first that this step was against the views of the rest of the members, and it was only seconded *pro formâ* by the Hon. Mr. Playford for the purpose of discussion, after the Hon. Mr. Fitzgerald, a Victorian delegate, had first said that "he hoped the mover would stand alone." As a matter of course, the resolutions were lost by "the mover standing alone."

The very next day, however, Mr. Fitzgerald, having in the meantime, no doubt, reconsidered the matter, brought forward a motion as follows: "That, in the opinion of this Conference, immediate steps should be taken for the construction of the cable from Australasia to Canada as far as the Colony of Fiji, to which place the survey is already completed, on a tripartite arrangement between Great Britain and Canada and the Australasian Colonies." In introducing his motion, Mr. Fitzgerald made the following reference to the writer's speech of the day before when introducing his resolutions: "I feel the force of the observations made by Mr. Lee-Smith yesterday—that this was simply an abstract resolution"—*i.e.*, the one regarding survey—"and that it was necessary on such important questions to take some definite action showing our sincerity." Mr. Fitzgerald's motion was ultimately withdrawn. This completed the business connected with the Pacific cable question, excepting the passing of a motion on the last day of the Conference to the effect "That the Canadian Government should take such steps as may be expedient in order to ascertain the cost of the cable." The writer gave this motion a hearty support, because, in his view, no steps other than the calling of tenders could possibly be of any practical avail for carrying out its object, a view that was afterwards indorsed by the almost immediate action of the Canadian Government in following out that plan. Hence the same purpose has been secured by the passing of this motion as would have been the result of the writer's first resolutions had they been carried.

A considerable space has been given to this subject, but its importance, and the many conflicting interests which surround it, necessitate a pretty full account being given of the views taken by the Conference. It will be noticed that but little reference has been made to the question of routes. This branch of the subject, and also that of the cost, were of course debated; but in the absence of any definite conclusion thereon it is not thought that a detailed account of what passed would be of interest or value. It may be added that some disappointment was felt when it was found that the Hawaiian Government had taken possession of Neckar Island, for this will probably prove to be a source of difficulty in finding a landing-place for the first link from Vancouver southwards. Finally, it is gratifying to learn that in response to the Canadian Government's advertisements for tenders—the particulars of which are appended—several offers have, it is understood, been sent in at considerably less than the previously estimated cost. Should this prove to be the case, the matter will then be ripe for the immediate and active co-operation of the various Governments interested in taking measures towards its early completion.

TRADE WITHIN THE EMPIRE.

It will be remembered that in the early part of the Conference a motion had been passed expressing the desirability of provision being made by Imperial legislation to enable the dependencies of the Empire to enter into agreements of commercial reciprocity, including power to make differential tariffs with Great Britain or with one another. This, of course, was only a preliminary step towards a more advanced movement in the direction of establishing closer trade relations. The Hon. Mr. Foster therefore moved the following resolutions: "Whereas the stability and progress of the British Empire can be best assured by drawing continually closer the bonds that unite the colonies with the Mother-country, and by the continuous growth of a practical sympathy and co-operation in all that pertains to the common welfare: And whereas this co-operation and unity can in no way be more effectually promoted than by the cultivation and extension of the mutual and profitable interchange of their products: Resolved, That this Conference records its belief in the advisability and practical possibility of a Customs arrangement between Great Britain and her colonies by which trade within the Empire may be placed on a more favourable footing than that which is carried on with foreign countries. And further resolved, That, pending the assent of the Mother-country to such an arrangement, in which she shall be included, it is desirable that the colonies of Great Britain, or such of them as may be disposed to accede to this view, take immediate steps to place each other's products on a more favoured basis than is accorded to the like products of other countries."

Mr. Foster is the Canadian Minister of Finance, and is a gentleman possessing great practical knowledge of all matters connected with the interests of his department. He is, moreover, an eloquent speaker, with much debating power. His speech was an exhaustive examination of the whole subject of commercial intercourse. It was pitched in high tones, the key-note being the im-

portance of the British dependencies as factors in the maintenance of the Empire's progress and stability. Nothing could have been more appropriate to the subject in view than the manner in which he dealt with all sides of the question whether preferable trade relations would be advantageous or otherwise. In the course of his address Mr. Foster laid great emphasis on the growing importance of the colonial trade to Great Britain, and the fact that it was increasing, whilst that of most foreign countries was relatively diminishing. He argued therefrom that it was to the interest of Great Britain to make preferential tariff arrangements with her colonies from the point of view that it would be wise to set about encouraging and stimulating a policy of commercial interchange of a preferential nature throughout the Empire. The conception of so far-reaching and comprehensive an idea is, no doubt, extremely patriotic; but its realisation seems far off, as in the opinion of many there are considerations that suggest cogent reasons against the immediate adoption of Mr. Foster's measures for its fulfilment.

These considerations require some examination, in order that the reader may be placed in a position to judge of their character, and also of their sufficiency to warrant a minority of the Conference—in which the writer was included—in opposing one of Mr. Foster's resolutions. The first of these was objected to on the grounds that it implied that Great Britain should enter into a Customs arrangement with her colonies, which of course really meant that she should give preferential terms as against other countries. From the point of view of the writer this was a perfectly untenable position to take up, and in this view he was supported by two other delegates—those of New South Wales and Queensland—particularly so by the latter. Before deciding upon the question your representative distinctly stated that if by the terms of the resolution England was to give preferential terms in consideration of any the colonies might give her, then he could not support that proposition. A moment's reflection will show what such a step taken by her would really mean. In all raw products England is a free-trade country. The question as to the wisdom or otherwise of such a policy is not here a matter of argument or concern. The point is this: British trade with the self-governing colonies is only 15 per cent. of the whole value of her trade. To expect, therefore, that, in return for a preference which the colonies might give her in duties on goods sent to them, she should give the colonies an equivalent is, under present conditions, to ignore what should be very apparent difficulties lying in the way of such a response. Any concessions which these colonies could afford to make on imported British goods would be insufficient to warrant a request for any similar preferential treatment of the products they send in return. Taking the case of wheat, which is an article that these colonies export to Great Britain, any differential duty in their favour would mean the reversal of a settled British policy, and a taxation of eight hundred thousand per annum, if fixed at the rate of one penny per bushel. There are not many things that we export to England but what would have a similar effect if a preference were given them, and therefore these considerations, in the writer's view, render the proposition to ask the British Government to tax raw products—for the colonies' exports are mainly such—quite unthinkable, and certain of instant rejection should it be put forward. Mr. Foster, as an ardent Imperialist, with highly Protectionist proclivities, is no doubt influenced by aspirations that, patriotic and loyal as they are, somewhat obscure his perception of these difficulties. As before mentioned, the repretatives of New South Wales and Queensland coincided with the views of the writer; but this resolution was ultimately carried by a majority of five to three.

The second resolution was then voted upon and unanimously carried. On reference to its terms, it will be seen that the Mother-country is excluded; the purpose of arranging a more favoured Customs basis only applying to trade between the colonies. This is an object that meets with the writer's hearty sympathy and approval. In the first place—a paramount consideration—it is possible and immediately feasible, whereas in the former case no such condition at present exists, however promising its ultimate fulfilment may appear. Secondly, it is desirable in the interests of the colonies as a whole, both from the narrow and self-interested commercial view and also from the broader one of promoting national strength and unity. It seems almost impossible not to recognise that many opportunities exist for the profitable interchange of colonial products, were there to be a readjustment of the tariffs on such lines as would take into consideration the effect of natural conditions. To ignore these in the future, as completely as they have been ignored in the past, is to divert the industrial current from its most fruitful course. If there be any force in this contention—and probably most people will agree that there is—there should be little in the way of an early fruition to the unanimous vote of the Conference. Of course, vested interests will appear in opposition, and present obstacles that may be difficult of removal; but if colonial opinion is in harmony with the voice of its Ottawa representatives, the private must give way to the public advantage.

The question as to the desirability of intercolonial trade reciprocity being settled in the affirmative, it appeared to your representative that some definite progress could be made by setting about an examination of the various tariffs in order to discover in what direction the commencement of such a policy could be made. He therefore brought forward the following motion: "That this Conference proceed to examine the respective Customs tariffs of the various colonies here represented, with a view to acquire such information as will enable the members to determine in what direction reciprocity may be profitably arranged, and thus place themselves in a position to advise their Governments accordingly." No seconder could be found for this motion. Mr. Hoffmeyer, one of the Cape delegates, followed the mover; but declined to support it on the ground that the members of the Conference possessed no powers to commit their colonies. It will be seen from the terms in which the motion is couched that there was no such intention implied, but that it was simply a step towards the collection of material for guidance when reporting to our respective Governments. It seemed to the writer a most proper and necessary sequence to what had been previously done that the delegates should discuss such items of the tariffs as seemed to them to be capable of profitable readjustment. How otherwise were they to be in a position on their arrival

home to point out what was possible, and likely to be accepted, and be able to advise their Governments? Your representative pressed this matter, and eventually it was agreed that an informal discussion should be held later on; a plan that was afterwards adopted, and the result will be hereafter referred to. As a matter of fact, the motion might just as well have been agreed to, for the discussion being officially reported with the other proceedings, the same purpose has been secured.

IMPROVED MAIL-SERVICE.

This was the next subject to come before the Conference, and the first motion connected therewith was introduced by the writer. It ran as follows: "That this Conference take into consideration the question of a mail-service between Great Britain and Australasia, *viâ* Canada." The objects sought by the promotion of this line of mail and passenger service are, of course, of a similar nature to those connected with the Pacific cable and colonial reciprocity proposals. They are of a sentimental and material character. Whatever arguments can be adduced in favour of the two latter objects can be equally advanced on behalf of the former. In reality, they are all links of the chain which it was hoped the Conference would add to the Imperial bond. The first step towards a direct steamer communication between these colonies and Canada was taken some little time ago, when the Governments of Canada and New South Wales arranged with Messrs. Huddart, Parker, and Co. for a monthly line between Vancouver and Sydney, a joint subsidy of £35,000 a year being given, in the proportion of £25,000 from Canada and £10,000 from New South Wales. The service commenced about a year ago, and up to the present time has continued to show an increasing development in respect of passenger and trade results. It is generally regarded as the initial movement in the enterprise of a through route, *viâ* Canada, from Australasia to England. So far as it has proceeded it has demonstrated the possibility of reaching London from either Sydney or Auckland within as short a space of time as, or perhaps shorter, than that *viâ* San Francisco. But the communication is at present incomplete, in that there is no quick or reliable connection between the eastern Canadian ports and Liverpool. Manifestly, therefore, it must continue to be at a great disadvantage as compared with the older services, unless some completing arrangements of a satisfactory character are added to the present partial service.

It is this feature which gives prominence to the question whether such an addition would make the route advantageous to the interest of Great Britain and these colonies. Hence the matter naturally became one of the most prominent subjects to be considered at the Conference. Your representative, recognising that this means of communication with Europe would confer all the advantages of the San Francisco route were there a direct connection with our colony, had no hesitation in advocating its adoption. Moreover, the matter had received full consideration at the last Postal Conference held in March this year, and had there met with unanimous approval. The San Francisco service has been in operation for over twenty years, and has been found the most speedy and reliable mail-line hitherto used by New Zealand. Geographically viewed, the North American continent lies across the most direct path from this colony to Europe. In comparison with the San Francisco route, that *viâ* Vancouver would be shorter by several hundred miles if, instead of going by New York at at present, it were continued from some Canadian port to Liverpool direct. With such a class of boats put on as is proposed, it is estimated that the time to be occupied from Auckland to Liverpool would be about twenty-seven days, a saving of some seventy-two hours when compared with the San Francisco time. But it is with alternative lines *viâ* the East that the contract in favour of the proposed new service is most apparent. In this case the advantage in respect of time is much greater—no doubt sufficient to divert the New Zealand mails that come and go *viâ* Australia. As stated at the Postal Conference, the Government of New Zealand do not propose to abandon the San Francisco line, but to use both that and the Vancouver one as alternate fortnightly services.

The trade aspect, however, is perhaps a more important consideration. During the few months the Sydney–Vancouver boats have been running there has been a gradual increase in the cargo carried each way. The products which, in the writer's opinion, would probably constitute the chief portion of a trade with Canada by this colony will be mentioned in another part of this report. It may be here noted, however, that a frozen-mutton export from Sydney to Vancouver has already commenced, several hundred sheep having been forwarded there by the vessel in which the Australian delegates travelled.

The Imperial aspect of this question was regarded with the same unanimity of opinion and feeling as was shown to all the other subjects dealt with at the Conference.

The material trade advantages of this route may not be immediately apparent—perhaps not sufficiently so, in the eyes of some, to warrant any great expenditure in the way of subsidy towards its support. But, in answering any objection that may be offered on this ground, there are some circumstances connected with the present methods of ocean carriage that deserve consideration. This is an age of extremely intense competition all the world over—a condition which has been largely fostered by quick steam communications; so much so, indeed, that they in turn have almost become a primary consideration, or even a necessity, to those who would enter into the race with any expectation of success. The world's business is being done on continually lessening margins of profit. In common with all the other elements of cost in putting products on the market, the items of freight, insurance, and exchange have to be considered with the greatest nicety of calculation. The slightest disadvantage in this respect may divert the current of trade from its natural course. It is almost certain to do so in a case like that under review, where the business is of an initial character. To give an illustration, Canada has been a large consumer of New Zealand kauri-gum, but hitherto shipments have had to be forwarded *viâ* the United States. This fact has naturally either reduced the net return to our colony or restricted the export, for the expense of extra freight charges, intermediate profit, &c.,

must have been considerable. Again, this is an age of what may be termed "commercial or manufacturing substitution." Science and art are rendering industrial processes less and less dependent on particular combinations of material. A slight advantage in price, added to a certainty of constant supply, may establish a hitherto almost unknown article as the equivalent of something else in the production of an important manufacture. It will be readily seen, therefore, how important it is to be on a footing of equality in respect of advantages accruing from quick, constant, and favourable means of international communication.

The case of New Zealand—and, indeed, that of all the other colonies—in regard to this question is this: They are a long distance from the markets of the world; they do not possess the large available private resources that exist in the older centres of commerce; and they must, therefore, in some degree, be subservient to the influence and interests which better circumstances elsewhere place in opposition to them. It seems, then, if there be force in these considerations, that there is some justification for bringing into operation the principle of national co-operation for the purpose of enabling these colonies to participate in the advantages above set out. The present mail-services themselves exemplify the working of this principle. Taken in their individual aspect, they are apparently a national loss; but at the same time, viewed as pieces of the national machinery, they are a collective gain. As one of the most important parts of their object is the facilitating of business, it does not appear an undue straining of the question to claim that the more direct advantage—that of trade accessibility—should also be taken into consideration. Here lie the chief points of interest in connection with the Canadian mail-service, and its claims on the Australasian Colonies for a subsidy. First, does it promise a more rapid conveyance of our mails and passengers to Europe at a cost not inconsistent with the advantages to be anticipated? Secondly, are there any reasons to afford hope that a trade value will attach to it? This aspect of the matter will be reviewed in Part II. of this report. Lastly, is there any real asset from the point of view of national unity to be derived from the acquirement of a direct line of travel to the Mother-country through dominions exclusively of British possession? These constitute the considerations on which must be founded the decision whether the enterprise is, or is not, worthy of public support.

It only remains to be added that in case this service be subsidised by these colonies provision must be made for a fair distribution of passenger- and goods-carrying facilities at rates that will not destroy its efficiency for the purposes and objects sought. This should be a paramount condition in any negotiations that may be entered upon. It is necessarily an undertaking of uncertain promise, and therefore in this case the give-and-take principle is admirably suited for application. Possibly for a time the trade would be small; but, on the other hand, a business might eventually develop to such an extent as to lead to extreme rates of freight and also to difficulties in respect of ships' space for each colony, and so cause jealousy and disappointment. To those who take an approving view of the matter it is a regrettable circumstance that the Conference proceedings did not advance the inauguration of the enterprise so much as it was hoped would be the case. The question of what ports were to be the first and last to arrive at and depart from formed the subject of much contentious discussion, and it naturally influenced the opinion of each delegate as to the relative value of the service and the amount of subsidy such was worth to his colony. In the case of South Australia, it was hardly to be expected that she would give any great assistance to the movement. Her geographical position forbids her going to any great expense in assisting any other route but the one which at present serves her purpose. Hence her delegate at the Conference held out no hope of much support. So also did the representative of Victoria and Tasmania, tendering in their case the plea of inability at the present time to afford the expense, and also that, like South Australia, their colonies were not likely to be much benefited by a new route.

There is, no doubt, good reason in these objections; but, in view of the fact that much stress had been universally laid upon the desirability of furthering the movement towards greater cohesion, it seemed to the writer strange that these colonies should refuse any support whatever. The Imperial aspect of the Conference proposals formed a constant theme for the utterance of eloquent and approving speech in quarters where material support was not forthcoming. In this matter Imperial considerations possess a distinct feature, which enable them to be viewed and estimated apart from trade aspects. Thus, granting the validity of the reasons which the above colonies urge for not giving what may be regarded as a mail and trade subsidy, the worth of the consideration above mentioned is still to be reckoned. As (in language) a high estimate of its Imperial importance has been expressed, it remains to be asked if it has a measurable monetary value. The only way to materialise a sentiment of this nature is to lend it pecuniary aid.

Taking this view at the Conference, your representative endeavoured to separate this element from the other factors that entered into the question of subsidy. It seemed to him that, putting aside mail considerations on the score of inconvenience or delay, there was good ground for asking that the federal view should be recognised by these colonies by each giving a small subsidy towards a service from some central port of departure and arrival—say Sydney. He, therefore, in addition to the £10,000 subsidy authorised to be offered by the New Zealand Government, undertook to recommend a further one of £1,500 or £2,000 as a special grant for the purpose above mentioned, if the other colonies' representatives would do likewise. It could make no material difference, from this standpoint, whether a day or two, more or less, were occupied in making the connection between Melbourne or Brisbane with the central point. In each case there is not much more than thirty-six hours' railway journey, whilst Adelaide even would be only a few hours more away. This offer, however, brought forward no favourable response. It is clear that to call at the ports of each colony would be impossible, and, as Sydney and Auckland appear to be the most favourable line, that route should offer no passenger objection to those who are in favour of promoting the federal movement, although they cannot support it on mail or trade considerations. The motion was ultimately carried unanimously; but being, as will be seen, of an abstract nature, its effect has not

been much more than that of eliciting opinion and affirming a proposition tending towards colonial unity. The spirit of the debate was against any more definite step being then taken, hence the question of how the resolution can best be implemented remains a problem to be solved by further negotiations amongst the colonies interested.

CABLE QUESTION REOPENED.

Mention has been made in the earlier part of this report of a resolution carried towards the close of the Conference empowering the Canadian Government to take steps to ascertain the cost, &c., of the carrying-out of this work. Little need be added to what has already been said on the matter. The subject was reopened at the instigation of one of the Queensland representatives, the feasibility of its construction without further survey having become more apparent by the information which Mr. Siemens, who had just arrived at Ottawa, was able to afford. It was understood that the Canadian Government, if it thought such course advisable, should at once advertise for tenders; and this having since been done, and unexpectedly low offers having been sent in, the matter presents itself in a definite shape for the further consideration of all interested in its early completion.

DETAILS OF COLONIAL RECIPROCITY.

With the exception of the ordinary formalities incident to its closing scenes, this was the final subject to occupy the attention of the Conference. It had been decided that, when the other business had been disposed of, an informal discussion on tariff matters should take place on the lines suggested in the writer's motion on the subject, but which was rejected. Although no detailed examination of the various duties imposed by each colony on such articles as might, with free entry, give promise of interchange was entered upon, nevertheless a pretty complete survey of the position was effected.

The Hon. Mr. Suttor, as representative of the oldest colony, was given precedence, and, at considerable length, introduced to the notice of the Conference the several features connected with the trade of his colony which, in his opinion, gave promise of profitable business with Canada. As a matter of course, wool was the chief article which he put forward as possessing the most importance. Its export to Canada from New South Wales is, however, more a question of facilities for direct shipment than one of tariff, for there is no duty whatever in Canada on the merino kinds.

Then Mr. Suttor pointed out the position which his colony was in for competing in the export of frozen mutton, hides, hard timber, fruit, refined sugars, tin, &c., and, in turn, showed the nature of the probable return trade.

Your representative then took the subject up, and, not to anticipate the remarks that will hereafter appear in the part devoted to a review of the Canadian commercial position as it bears on this colony, it is only necessary here to state that, given facilities and slightly altered tariff, reciprocity is in some directions possible. The manufacture of woollen goods is developing, largely so from long or cross-bred wools; but at the present time there is a duty on such of 3 cents per pound in Canada, whereas, as before mentioned, short wools are admitted free. In other directions also there are prospects of a future trade with the Dominion.

Delegates from the other Australasian Colonies followed, and the result in each case seemed to demonstrate that a cessation of the internecine tariff war must accompany any movement towards closer relationship before a full and general advantage could be obtained therefrom. This is a question, however, which is encircled by a variety of opinions, and the conclusion arrived at is here mentioned as a matter of fact, and not as an expression of the writer's individual opinion. The reconciliation of the many diverse views that are taken of the fiscal question will, no doubt, be difficult; its early achievement, up to a point necessary to secure the best advantage to inter-British trade, should not, however, be beyond the reach of a people whose commercial genius is so pre-eminent.

SUMMARY.

The subjects that have now been dealt with constituted the main work upon which the Conference was engaged. They comprise all such matters as relate to the particular purpose for which it was summoned. Undoubtedly there are many other questions that might have been profitably discussed, but to have included every subject of colonial interest would have occupied much time, and, besides, would have taken the Conference outside its proper functions. For instance, the subject of copyright is an important one, in so far, at least, as Canada is concerned. It was brought up at the Conference, but on its appearing that a Committee had been appointed in England to consider the matter, it was thought advisable to await its report. Then, the deportation of French convicts to New Caledonia is a matter of concern to these colonies. The writer was desirous of having it considered; but the Conference decided that it was scarcely within the scope of its duties.

The currency question, now occupying so much attention, might, perhaps, also have been fittingly discussed from a colonial point of view. These and several more interesting questions had, for the reasons stated, necessarily to be shut out, and possibly so to the advantage of the special work in hand.

Whilst no particular priority of importance can be given to any one question that came before the delegates—for they were all factors towards one object—perhaps the mail-service furnished the chief points of interest in the debates. It is in the forefront of the movement, because on its successful inauguration must depend the further progress of what is proposed. Without quick communication between Canada and this colony no very good results could be expected from tariff concessions, or from any other trade inducements that could be offered. Canada lies outside the usual path of travel from New Zealand to Europe. Whatever trade might arise at the outset of the service would certainly be considerably enlarged when the route became available for pro-

moting commercial intercourse. Letting alone the attractions of the route from a pleasure point of view, an inspection of Canada's material conditions would be of much advantage to the business traveller. There is much to be seen that would awaken the minds of enterprising men to the possibilities of there finding opportunities for trade extension. Personal contact and observation are strong factors towards the successful prosecution of commercial interests. In the opinion of the writer this advantage would be very materially gained by the proposed steam-service. Hence, seeing that the main conditions under which it is at present offered are favourable, he has no hesitation in here indorsing the views of the Government on the point of subsidy.

The Pacific cable is surrounded by considerations of a wider range. It enters into the domain of Imperial defence. We can already correspond with Canada by wire, and therefore its importance in a commercial sense is not of immediate concern. Regarded, however, from the standpoint of its strategic advantage in case of war—and this view seems to be generally approved—it is surely worthy of general support by Great Britain and the Australasian Colonies. The route it would take, and the terms on which it could be constructed and worked, are, as yet, matters of uncertainty; but assuming that a united assistance on equitable and reasonable conditions would insure its completion, this colony could very properly take part in contributing to a work that is so generally regarded as an element of national safety.

The trade relations of the British possessions is a question that presents many different problems for solution. Naturally the Conference could only touch upon the fringe of a subject pregnant with interests of so widely diversified a nature. It could only take in hand the clearing away of such initial obstructions as impede the approach towards a practical treatment of the matter. The revision of tariffs in the direction of reciprocity should be guided by considerations that can only be brought into view by means of a close study of the natural conditions that affect production. It was impossible to obtain a grasp of the matter at the Conference sufficient to enable any general scheme to be formulated. The cursory examination which there took place did, however, reveal several transparent Customs anomalies that might well be corrected. Further, there appeared to be one or two instances where free entry might with mutual advantage be granted on each side, and, pending the time when a more comprehensive examination of the whole circumstances can be made, some partial concessions of a tentative character might very well be exchanged. Indications in this direction will be pointed out in the report on the commercial situation in Canada.

Hitherto no reference has been made to the position which Lord Jersey, as the representative of the Imperial Government, occupied at the Conference. It seems necessary to state that his Lordship, by the terms of his commission, was not authorised to express views on their behalf, but was to report on what passed, and give information on matters of fact. Notwithstanding, however, the loss of interest and influence to the debates which the above limitation inflicted, much advantage was derived from the guidance which Lord Jersey, as an experienced and successful colonial ex-Governor, was able to afford.

CONCLUDING REMARKS.

To summarise the work of the Conference and present its general features in a light that will enable a judgment to be formed of the nature and value of the results which have been presently obtained, or that may hereafter follow therefrom, requires that some outline shall be given of the boundary to which its powers extended. The proceedings of an assembly such as the Conference was are very much of the nature of those of a parliamentary Committee. The duties and functions of the delegates who were sent to Ottawa were almost entirely of a deliberative character. Excepting one or two instances in which authority had been given in regard to particular questions, the delegates had no power to commit their colonies, or to invest resolutions with any other than advisory intention. They were called together for the purpose of discussing a movement whose principal features had been partially and indeterminately outlined; they were to give it a definite shape, and present their work for the consideration and approval, or otherwise, of the colonies interested. Thus far did their duties extend, and whether they performed them in such a manner as to be ultimately beneficial will very much depend upon the manner in which the Conference recommendations are put into actual operation. This seems to be a sufficient reason for withholding (for the present) any final judgment on the material worth of the Ottawa Conference.

Nevertheless, a high degree of responsibility is imposed on those who undertake to make recommendations that might, as in this case, lead to results of momentous consequence. The conclusions of a committee specially delegated to consider new and far-reaching propositions, possibly involving a large national liability, must possess the warrant of having had an honest, deep, and well-balanced consideration. Going before their tribunal armed with the authority which opportunity for inquiry, discussion, and the investigation of facts afford, they naturally invite and generally receive weighty and favourable attention. Hence their authors must be prepared to justify their action by the presentation of such material as will enable a correct judgment to be formed of the manner in which they have carried out their duties, and the worth of their recommendations. Such, it appears to the writer, is the purpose which a report is designed to fulfil, and that purpose has, he trusts, been suitably met in the foregoing pages. It is not claimed that they afford a complete representation of all that took place at the Conference, but enough has been said to enable readers to estimate the extent of its usefulness, or of its claims to merit.

In the earlier part of this report allusion has been made to the supreme purpose for which the Conference was held—the advancement of British interests. The same spirit which animated the conception of so patriotic an object ran through every speech, infusing the debates with a tone that in every way was in harmony with the Imperial importance of the occasion. On questions of method and detail there was, as might be expected, much diversity of opinion; but in all

instances it was expressed in terms that commanded sympathy and respect. The interests of Great Britain and her colonies—commercial and otherwise—are affected by particular conditions or circumstances that individually vary; this fact must, therefore, be recognised as a difficulty to be considered and allowed for in determining the mutual worth of a common enterprise. Numerous instances of the existence of such barriers in the way of an early advance towards a closer commercial interchange between the several colonies were presented to the Conference. The inexorable demands of revenue may render some of them at present insuperable; but the contemplated federation of some parts of the Australian Continent holds out hope that new conditions may there arise that will make for greater concordance in tariff regulations. Under any circumstances, the Conference has afforded opportunity for ventilating many ideas and theories on colonial polity that have hitherto lain dormant; and it has also presented a fairly complete epitome of the several considerations that should weigh with those who may be charged with the further prosecution of its work.

In conclusion, your representative feels that but little need be added to what has already been said in explanation of the attitude he took up in regard to one or two questions that came before the Conference. It was in the method of procedure only that he differed with his brother delegates. Going there in a business capacity rather than in a political one, he was naturally disposed to view matters in the light which previous training had afforded, and to shape his recommendations accordingly. It was not pleasant to feel alone, and to have to strike a discordant note that was so much out of harmony with the general opinion. Whether his work at the Conference was of a wise, beneficial and politic character must be left to the verdict of those whose interests were placed in his hands. Fully sensible of the honour which the position conferred and of the responsibility it imposed, he submits this report to his brother colonists, making one request only—which is, that they will take it for granted he endeavoured to the best of his ability to worthily represent the Colony of New Zealand.

Finally, there remains a pleasant duty to perform—words, however, will not convey any adequate idea of the handsome treatment the delegation received in Canada. The high consideration shown by the Government for their happiness and comfort was displayed alike throughout the Dominion. Their Canadian visit will long have an affectionate remembrance in the minds of the delegates, and the colonies are under a debt of gratitude for the honour done to them through their representatives at the Ottawa Conference.

APPENDIX.

[For particulars of tenders for laying and maintaining Pacific cable see Parliamentary Paper F.-5A, 1894, p. 1.]

PART II.—NOTES ON CANADA, TRADE PROSPECTS, ETC.

Taking advantage of the opportunities which my mission to the Conference afforded for the purpose, the Government instructed me to make inquiries and investigations concerning the prospects of trade between Canada and this colony, and to report on this and other matters of interest. In view of the fact that the granting of support to a proposed steam-service between the two countries was contemplated, the desirability of obtaining such information is apparent, and consequently to carry out such object as far as circumstances would permit became one of my chief duties whilst in Canada. The time at my disposal was limited, so that what I have to say on the subject must necessarily be somewhat restricted and partial in respect both of extent and completeness of observation. Canada is a country of enormous area, with many widely-varying natural conditions which, it may be readily understood, create a corresponding variety of industrial movements, and consequently to have made an exhaustive examination of the whole field would have occupied much time. Nevertheless, such personal observation as I could make, aided by the readily-granted information afforded on all sides by business men, enabled me to obtain a fairly correct estimate of the commercial situation so far as it is of interest to this colony. Perhaps a brief description of the physical features which attach to the respective provinces of Canada will best introduce the subject to the reader:—

CLIMATE.

The Canadian climate, or rather climates, vary very considerably. It is quite a mistake to suppose that the generally-expressed opinion that a universally rigorous winter reigns throughout the Dominion is correct. In reality there is as much difference between the western and the eastern provinces as there is between the United Kingdom and Norway. The far north seems to have furnished the standard from which Canada generally was to be estimated in respect of its climate. There is a range of some eighteen to twenty degrees of latitude from the lowest part of Ontario to the highest settlements in the north-west. But this does not explain all the difference that is found between the east and west, for in the same line of latitude great contrasts in many cases exist. British Columbia lies between the forty-ninth and the sixtieth and Ontario between the forty-second and forty-eighth parallels; but still they have little similarity in either temperature or snow- and rain-fall. In Ottawa the mean summer temperature is 66°, and in winter 15°; whilst at New Westminster in British Columbia it is 60° and 38° respectively. Rain- and snow-fall in Ontario are 26in. and 70in.; in the interior of British Columbia 41in. and 20in. But it is in

Manitoba that the greatest contrast with either of the above provinces can be found. Lying only about one degree north of the latitude of Vancouver and four degrees above Ottawa, the City of Winnipeg, which is the capital of Manitoba, has an extreme variation in respect of summer and winter temperatures. In summer the thermometer averages 59° and in winter 1·5°. So that here there is an illustration of how much the winter conditions vary within a narrow range of latitude. Consequently, in a journey across the continent by the railway that connects the two coasts, and which takes an almost direct course from Vancouver through Winnipeg, the influence of these extremes on industrial occupation is noticeable. For instance, the stock of Manitoba have to be housed in winter, and this fact precludes the idea that it can ever be a very profitable cattle- or sheep-raising country. British Columbia, on the other hand, although not very favourable to sheep-growing, is well adapted for cattle, large ranches having been established in its eastern districts. From the inquiries that I was able to make, it would appear that farming in Manitoba is carried on under exceptionally severe and hazardous conditions. As may be expected, the climates of the three provinces above mentioned vary according to the elevation and latitude of each district, Vancouver, Winnipeg, and Ottawa being taken as illustrations. The same remark applies to the other provinces and territories, with regard to which no particular reference is necessary, as they are not of so much interest to the matter in hand.

SOIL AND NATURAL RESOURCES.

British Columbia.

This is the extreme western province of Canada, and its capital, Vancouver City, is the port of arrival and departure for the Japan and Australian lines of steamships. It is of immense area, containing about 330,000 square miles, extending some 650 miles north to south, and about 500 miles west to east. The Rocky Mountains divide it from the middle and eastern portions of Canada. It is not well adapted for agriculture, the area available for this purpose being very small, and in most instances not of a very good quality, or easy of access. It is well watered, the Fraser River running almost through the centre, and emptying itself into the Gulf of Georgia, whilst the Columbia River and smaller streams, lakes, &c., are found on its eastern side. Timber exists in enormous quantities in this province, its resources in this respect being practically inexhaustible. Within recent years the development of the timber-cutting industry here has proceeded with great rapidity. The older provinces of the east have hitherto furnished almost all the export of Canadian timber, but several mills have now sprung up in British Columbia, and the trade is assuming large proportions. "Lumbering," as it is termed, constitutes one of the principal industries of Vancouver City and its district. I took the opportunity whilst being delayed there through a breakdown of communication with the east to inspect some of the sawmills, and was much struck with the extent of their operations. One feature of the trade is that whereas formerly timber was sent away in logs, it is now mostly put into a sawn or fully-manufactured condition. The principal woods are Douglas fir, spruce, cedar, &c., the trees from which they are cut being generally of large dimensions. At the wharf of one mill there were seven or eight vessels loading for Europe with assorted sizes of sawn material. The mills are got up on the latest and most approved plan, all the manipulation, from the immense logs downwards, being done by steam appliances. As with all other products, the prices are at present very low, but the readily available raw material, and its good quality, enable the industry in this district to compete with the less-favourably situated mills in the east. The forests of British Columbia are probably her best asset.

The fisheries of this province are possibly the next important natural resource. For some years the tinned salmon of the Fraser River has been a leading item of export. Commencing in 1876, the trade has now reached a yearly value of some £600,000, and is likely to go on developing at a considerable rate. Canning has been a very profitable industry, and it at present employs over four thousand men. The supply of fish appears inexhaustible, as, from what I could gather, there were, as yet, no signs of its diminution. The cod-fishing industry has, so far, not made much progress; but as it is known that a large cod-bank exists off the coast, it may fairly be expected that this branch of the fishing industry will, ere long, be commenced. Altogether, the prospects of British Columbia's future prosperity seem to be very materially connected with the success or otherwise of her fishing industry.

In minerals, perhaps, British Columbia is richer than any other Canadian province. Gold, silver, iron, and other valuable deposits are numerous, but as yet have not been extensively worked. There are large areas of coal-producing country, the best qualities being chiefly taken from the mines of Nanaimo, in Vancouver Island. This coal is very superior, being considered by far the most valuable for all purposes that is found on the Pacific side of the American Continent. It is shipped in great quantities to San Francisco and other ports in that direction.

Having been requested to make some inquiries as to the possibility of opening up a trade for our West Coast coals in Canada, I took steps to ascertain whether circumstances afforded any expectations that an outlet could be obtained. I found, however, that the satisfaction with which the local product was regarded, together with the low price at which it could be placed on the market, entirely shut out any chance of success in this direction. I am afraid that nothing can be done with our coal in British Columbia, or, as that would be the port of destination, with any other part of Canada.

Turning to the agricultural features of this province, as has before been mentioned, the character of the country is adverse to any great development of what is termed mixed-farming operations. The surface is very much broken, consisting mainly of small ranges of mountains, intersected by valleys of varying sizes; but which, as a rule, are densely wooded. Here and there a limited extent of open space permits the carrying-on of crop-raising and dairying on a small scale. In the north-east elevated plateaux are numerous, where cattle-ranching is being established.

Almost throughout the province the country is unsuitable for sheep, as is evidenced by the fact that at present it only carries some fifty thousand. Bush and scrub of one kind and another are in the way of any immediate increase on this very inconsiderable number.

The above short sketch will give some idea of the most prominent of British Columbia's resources. That they have been effectively operated upon can be seen by noting the relations between the amount of its exports and the number of its population. There are under a hundred thousand people in the province, and its exports in 1893 amounted to nearly £700,000. Besides this a large quantity of produce passes over the railways to the eastern centres, which is not here taken into account. It now remains to be pointed out in what directions there is a likelihood of trade being feasible between this part of Canada and New Zealand. It may be said that the chief portion of any exchange business that may arise with the Dominion will be centred here. It may look strange when it is remembered that the eastern provinces are such large producers of prime cheeses and butter that British Columbia should draw a good portion of her supply of these articles from outside sources. Vancouver imports large quantities of butter from the United States, but since the commencement of the Sydney steamship service consignments have been sent from Australia. The quality, however, is not giving satisfaction, being too inferior for a market where there is a prosperous community. I saw in one or two stores samples that were quite unfit for ordinary table use, being rancid and of unpleasant appearance.

The trade of the port in this article is equal to about $20,000 per month, a fair portion of which might, if a good class were sent, be obtained by New Zealand. The price runs from 26 cents to 30 cents per pound duty paid—said duty being 4 cents per pound—and 20 per cent. on the packages. It is in respect of these tariff charges that difficulties would arise in opening up a trade, for they seem to be sufficiently high to shut out much chance of successful results. At present the supply comes by rail from the United States and eastern Canada, at rates of freight that, although costly, would still leave the market open to the American producer, unless a differential rate of duty in favour of the colonial product were levied. In regard to this aspect of the trade question, I had a long conversation with the Hon. Mr. Foster, and other leading members of the Government, with a view to bring about some modification of the charge of this and other kindred productions. Both the Finance and Trade Ministers promised to give the whole subject of reciprocal tariff arrangements consideration, and they have, I believe, already made some suggestions to some of the Australian Governments in the direction of mutual concessions. The chief difficulty in the way is, no doubt, the tendency to foster local production, which in this case seems to simply result in placing a heavy and permanent tax upon the great bulk of the community of western Canada.

The remarks that have been above made in regard to butter equally apply to cheese. Here again the imported article is largely used, the United States sharing with the eastern provinces the bulk of the British Columbian trade. Prices rule about 13 cents to 14 cents per pound duty paid, this charge being 3 cents, and 20 per cent. on packages as in the case of butter. Should any arrangement be made for differential duties, as was so strongly advocated at the Conference, and the duties on dairy products receive consideration in favour of these colonies, I feel certain that in course of time a fairly good outlet could be found in British Columbia.

It is in frozen mutton, however, that an immediate and certain trade would arise once steam communication was established. For some time the demand would not be large; but it would be a growing one, for the population is increasing rapidly, and our quality would command the market. As will have been gathered, the country is not adapted for sheep, there being only some fifty thousand in the whole of the province. Consequently it has to obtain supplies of mutton from other places, principally Oregon. The inferior quality of the mutton at Vancouver was a subject of general remark by all the Australian passengers whilst I was there. And this opinion was held with regard to that of all other places on the route east, until nearing Ottawa, where, indeed, there is not to be had anything like the class of meat that we are accustomed to in New Zealand. On the voyage up we took some seven or eight hundred carcases from Sydney, which were disposed of at once, and more could have found a market. They were not very good in appearance, being small, skinny, and ill-fed. Nevertheless, the agent who had them in hand informed me they were much superior to the Oregon consignments, and were selling at 13 cents to 14 cents per pound. The duty is high, being 35 per cent. on dead, and 20 per cent. on live, meat. I was informed by Mr. Bowell, the Minister of Trade, that it was in contemplation to adjust these rates so that they should be in better proportion, for at present they are in favour of live imports. There is a cold store in Vancouver capable of holding some thousand or twelve hundred sheep. It was put up as an experiment by a gentleman who purposes entering into the trade on a large scale if supplies from New Zealand become available. He informed me that the consumption is fast increasing upon the production of the province, and that, consequently, failing shipments from these colonies, the trade must go to Oregon. From two to three thousand per month could find easy outlet between, say, December and July; after that rather less would at present suffice. The New South Wales mutton was costing, all told, about 8 cents per pound, so that it was leaving a large margin of profit to the shipper. Frozen rabbits would also find a market there, and, to a small extent, poultry and eggs, if sent during the winter months, for at that period the prices for these are high. Potatoes and other vegetables that would carry in a sound condition would likewise then meet with a demand. In fact, several of such perishable commodities could, by reason of the alternation of the seasons, be exchanged on either side. As the boats would not take more than three weeks each way, there should not be any great difficulty in delivering such in good condition.

There is but little chance for an outlet here for wool, or any of our woollen goods, there being no manufacturers of this description on the west coast. I took up several samples from some of the New Zealand mills; but the quality and price were not in keeping with the class of trade that is done. Coarse, heavy goods are the most required, such as are suitable for rough country work. A very large trade is done in blankets with the Northern Territories, principally by the Hudson's Bay

Company, who get through some ten or fifteen thousand pounds' worth per annum at their Vancouver branch alone. I have asked for a sample of these to be sent down here in order that the factories may see the kind of thing required, as it is just possible that in this particular line something might be done. These special blankets are very large and heavy, being required for districts where the work is of a rough character and the weather intensely cold. There is a prospect of a great development of the mining industries of this province, and in that view this particular branch of the woollen trade promises to assume large dimensions.

In breadstuffs there is little prospect of any business being possible, as the duty is high—15 cents per bushel; and, although the freight from the States and the eastern provinces is heavy, I am of opinion that, unless a differential tariff be arranged—which in this case is not likely—these places will always command the trade. There may be some of our minor products which, to a very limited extent, might be found profitably saleable, but the articles above enumerated would, it appears to me, constitute the bulk of the shipments we could expect to send to British Columbia.

On the question of return trade, it may be said that there is much of their timber that would be suitable for building. Whatever comes to this colony from Oregon or from the Baltic could be equally as well obtained from Vancouver. Prices are just as low as they are anywhere on the Pacific Coast, and the quality quite as good. As before mentioned, the mills are well equipped in respect of appliances, and they are carried on in a spirited and enterprising manner. The cedars are in great favour for ornamental office work, &c.—the fittings in this material of some of the large banks and other large buildings in Vancouver being very beautiful.

As there is a large consumption of tinned salmon in the colony, this could be obtained direct from the centre of production. The Fraser River runs quite close to Vancouver, and here there are numerous canneries, which make an enormous yearly output. In some seasons the business is highly profitable, and in the year 1893 the export of this fish reached nearly 4,000 tons. With direct steamers and refrigerating appliances at command on this side, there should be a good trade in fresh fish, as from my experience when going up to Canada from Sydney the frozen salmon on board the "Arawa" was almost equal to that we got at Vancouver, which was freshly caught. So far as I could observe, there did not appear to be many other descriptions of return produce to come from this district; but there may be other articles both here and in the eastern provinces which on further investigation might be indicated. I am, however, rather of the opinion that the balance of trade with Canada would be in favour of New Zealand.

The Territories and Manitoba.

After leaving British Columbia by the railway which spans the continent, portions of the "Territories" are passed through until the western boundary of Manitoba is reached. From these Territories four districts have been formed, respectively named Alberta, Athabasca, Sashatchewan, and Assiniboia. These districts in the whole contain about 400,000 square miles. The principal feature about this part of Canada is the succession of prairie steppes, which run north-west and south-east for several hundred miles. There are three main plateaux—the lowest being at about 800ft. elevation, the second 1,500ft., and the third, which runs west to the base of the Rocky Mountains, about 2,500ft. to 3,000ft. Settlement in this region is progressing, being chiefly in the direction of cattle-grazing. Agriculture has made but little headway, neither the climate nor the soil being regarded as suitable for mixed farming. Little further need be said about this section of British Canada. All the remarks that have been made as to trade with British Columbia apply in this direction. The same products that have to be imported in Vancouver must be similarly obtained here, and the small townships that are springing up on the line of railway obtain such supplies chiefly from that city. At a distance of about twelve hundred miles from Vancouver Manitoba commences. This province contains about sixty-five thousand square miles, is in the shape of a square block, and lies in the very centre of Canada.

In respect of climate there are, as before indicated, great variations of temperature. The summers are very agreeable, with the thermometer ranging from 60° to 75°; but in winter the weather is extremely severe and trying. I was informed that it was not an uncommon thing for the cold to go down to 30° or 40° below zero. The "blizzard" is an unpleasant feature that occasionally makes its appearance. A description of these storms has often been given in extreme metaphor; but there can be no doubt of their destructive nature, and the great drawback they are to the farming life of the district. I met an old Home friend who had settled here, and he told me as a fact that he had a rope fixed on stakes from his barn to the house—which was some three hundred yards away—so as to be a guide in case one of these storms came on unexpectedly. Cattle have to be housed in the cold season, and it is rather surprising to see as you pass along the railway so little live-stock on land that, in the summer time, looks so admirably adapted for it. From the western border of the province to Winnipeg, its capital, the country is one long range of rolling prairie, mostly adapted, from all appearances, for the purpose which is generally assigned to it—wheat-growing. The soil is very rich, consisting principally of black loam resting on a clay subsoil. Water, in the shape of small streams, is not very plentiful, but it can generally be obtained by sinking wells.

The cultivation of land in this province is carried on between the months of April and October. Spring ploughing begins about the middle or end of the former month, or as soon as the snow has gone away; the crop is then put in, and usually harvested late in August or early in September. Thus the bulk of the year's work is practically done within five months. It has been found advantageous to commence ploughing as soon as 5in. or 6in. of the surface is thawed, so as to get the seed in early. But little rain is required during the summer, evaporation from the thawing ground below supplying plenty of moisture to the crops. The quality of the wheat grown here is very good, and it brings as high a price as that from any other part of the Dominion. There are

scarcely any sheep throughout the province, and, as before stated, cattle as yet are not very numerous.

From a trade point of view, Manitoba stands pretty much in the same position to us as does British Columbia in respect of one or two particular articles. The Hon. Mr. Bowell agreed with me that New Zealand frozen mutton ought to find a good market at Winnipeg, which is a city of over thirty thousand population, and he also says that he is convinced, from personal observation, that it could go as far as Chicago and leave a fair margin to the shipper. Without going to this extent, I am certainly of opinion that its distribution would be found possible and even easy at all the centres between Vancouver and Winnipeg. The mutton there is poor in quality, high in price, and consequently very limited in use. In the winter butter is scarce, so that perhaps at this season small quantities sent from here would meet with profitable returns. There does not appear to be any other special direction to which I could point with any confidence as one that would afford business between us and Manitoba.

The Eastern Provinces.

Leaving Manitoba, the Province of Ontario is reached at a distance of about a hundred miles from Winnipeg. This in every point of view is at present the most important part of the Dominion. In wealth and population it is far ahead of all the others, and its natural resources are large and varied. In extent it covers an area of 220,000 miles, the greater part of which is, or has been, more or less covered with timber. The climate, of course, varies according to situation, in respect of altitude, and proximity to the lakes which form so large a portion of its southern boundary-line. The chief primary industries are farming and lumber-cutting. In respect of its soil, Ontario possesses many different varieties, most of which are very fertile, especially where land has been redeemed from the bush. The leading crop is wheat; but oats, barley, peas, &c., are also largely grown. Of late years attention has been given to dairying, and so much has this industry been developed that in 1892 the export of cheese reached nearly 50,000 tons. Corresponding with this, the production of butter has been considerably reduced. Ontario's manufacturing interests are extensive, the principal industries being agricultural-implement making, cotton- and wool-spinning, tanning, paper-making, &c., the mills in many instances being driven by natural water-power. This elementary manufacturing advantage is largely at disposal in this province, the City of Ottawa being a notable example, for there nearly everything requiring motive-power is done either by its use direct, or through the medium of electricity. Tramways, lighting, and all the lumber-mills, paper-factories, &c., are driven by power derived from the river that runs through this city. In minerals, Ontario is not so prolific as some of the other parts of Canada—but in connection with its underground wealth may be mentioned the oil-wells that exists in its southern districts. The output from these wells has been very considerable; but the quantity exported has declined within the last few years, in consequence of the extremely low prices now ruling. The woollen industry is, on the other hand, increasing rapidly, the imports into the Dominion of raw wool having been, in 1893, nearly eleven millions pounds weight, whilst those of manufactured woollen goods have somewhat declined. This fact points to the opportunity that exists for a trade with Canada in our long wools, provided the duties were subjected to differential treatment as is contemplated. Practically the whole of the unmanufactured wool that is now imported belongs to the fine short classes, which are admitted free, whereas on Lincoln, Leicester, and what are known as lustre kinds there is a duty of 3 cents per pound. Of the eleven million pounds of wool imported free, the United States supplies over four millions, Great Britain three millions, Australasia one and a quarter millions, and other places the remainder. As the policy of the United States has been one of exclusion by her high protective duties, the balance of Canada's trade with that country since the abrogation of the 1854 treaty has been adverse. In 1893, the Dominion's imports from the States were $65,000,000, and her exports thereto $44,000,000. It does not seem unnatural, therefore, that Canadian opinion should be going in the direction of favouring a policy of self-defence. Provided that, by a differential tariff on the give-and-take principle with other colonies, an equivalent could be obtained, the diversion of this trade in wool with the States to a better customer would appear to the Canadian authorities to be advantageous.

Of the other manufacturing interests that are showing rapid development, the paint and varnish trade may be mentioned. In connection with this industry a large quantity of New Zealand kauri-gum is used, all of which at present goes through the United States, the extent of the consumption being probably seven to ten thousand pounds' worth per annum. Steam communication with New Zealand would divert this business direct to Auckland.

Rabbit-skins would also find a good outlet in this part of Canada, as the furriering and hatting trades are important, as is shown by the annual value of their products, viz., $5,000,000. What is required to secure the most successful results in shipping to Canada, as elsewhere, is an economical method of taking off the hair tips, which is at present done by hand, a circumstance that prevents skins being profitably sent to places where labour is not plentiful at a low cost. When I arrived in England I took the opportunity of looking into this matter, and found that this first process of skin treatment, being a very offensive and unhealthy kind of work, practically gave a monopoly of the trade to places where the lowest class of female labour could be obtained. Thus, in Newcastle, there was one mill in which some three or four hundred women and girls were employed, and such was the case also in London and other manufacturing centres. The consequence of that is that enormous quantities of the skins thus partially dressed are repacked and sent to the States and elsewhere. Attempts to overcome this disadvantage by the aid of machinery have hitherto not been successful; but I have reason to believe that the difficulty will soon be overcome, a result that will give New Zealand a command of a wider market for this export.

In New Zealand flax there is not much chance of any opening so long as other fibres continue

so low as they have lately been. The chief hemp used for harvesting purposes is sisal, of which a considerable quantity is imported. If the price of manila, which really governs most of the other fibres, were to advance, then there should be no reason why a direct business could not be done with eastern Canada, for the consumption of cordage there is large.

QUEBEC.

Lying slightly to the north of Ontario, this province is, in respect of climate, somewhat colder than Ontario. Its area is about the same, and the character of the country in many respects similar to those of its southern neighbour. Whatever our future trade relations with Canada may be, the position of Quebec and Ontario in regard thereto will be pretty nearly the same, inasmuch as their industrial features are alike. Quebec, however, is not so advanced in manufacturing power as Ontario is, the capital invested and the value of the products not being much more than half the amounts exhibited by the Ontario returns. Timber and cattle represent large items of export, the latter having numbered a hundred thousand in 1893. Montreal, the chief city of the Dominion, is in this province. As the centre of the Canadian railway system, and the most advantageous port on the St. Lawrence, it occupies the position of the commercial metropolis of Canada. The population is over two hundred thousand, and the business aspect of the place takes a wide range. Montreal and Toronto command the greater part of the import and export trade of Canada, the City of Quebec having lost to these ports a considerable portion of the trade it once possessed. To one or the other of these centres would have to be shipped all the bulky goods going from this colony, such as wool, flax, &c., as the railway freight from Vancouver on these would be prohibitory.

GENERAL REMARKS.

From what has been said on the prospects of trade with Canada, it will be gathered that very much depends on the manner in which the question of differential duties is treated. Indeed, the same remark applies to the whole subject of British and intercolonial trade. In the opinion of many eminent English and colonial statesmen, the time is fast approaching when commercial union between all the British possessions would not only be advantageous, but be absolutely necessary for the maintenance of the Empire's supremacy. The immediate construction of a comprehensive scheme for insuring a common defence, a self-dependent commercial and industrial existence, and a complete Imperial unity in every sense, is the dream of the Federationists. The idea does more credit to their patriotic zeal than to their judgment. The barriers that lie across the path to federation are numerous and difficult of removal. They will have to be approached cautiously, and taken in detail, so that the risk of mistake be minimised. The British Constitution was not made in a day, in a year, or in a lifetime, and to ignore this consideration in the case of federation is to invite failure. Let any one consider the variety of opinions, interests, natural conditions and circumstances generally that affect the question, and then ask himself how these can be reconciled except by the teachings of a slow experience. The steps to be taken, it is now well recognised, must be of a tentative character, and such as will promise to leave behind them an easily-perceived benefit. The distance to be travelled before complete federation be reached seems far when we remember how many instances there are where conflicting opinions and party opposition have wrecked important questions of only local concern.

It is the recognition of these difficulties which has convinced many thinkers on the question that the first steps towards its solution should be in the direction of trade reciprocity. The obtaining of some immediate and tangible trade advantages, however small, by these means would excite public interest in the matter and set in motion speculative inquiry on the subject generally. What is really wanted is an object-lesson that would in itself demonstrate in a practical manner the nature of the advantages to be derived by the means of preferential commerce. Up to the present there has been no such illustration; the Federation League's work has been regarded as mere theorising, and, being without a definite programme, it has made no great impression on the public mind.

At the Ottawa Conference this aspect of the matter received attentive consideration. It seemed to be generally agreed that the time was opportune for some move to be made in the direction of favoured Customs duties between the several British colonies as against outside countries. It is seen that the world generally is going in the direction of Protection. In view of this, and the consequent gradual shutting-out of her manufactures in foreign markets, would not Great Britain, it was asked, be wise in preparing the way for a future advantage to herself and a present one to her dependencies by differentiating her tariff in their favour? The Hon. Mr. Foster, Canada's Finance Minister, in introducing the question of "Trade within the Empire," gave great prominence to this view of the subject, and in eloquent and impressive terms enlarged upon the important issues involved in commercial arrangements. An extract from his speech will afford some idea of its general tone. Referring to preferential tariffs, he said: "Who doubts for a single moment that if Great Britain and her colonies could be formed into a commercial union, whereby the trade between the different ports of the Empire would have a more favoured position than outside or foreign trade, who doubts but that immense benefits would immediately accrue to the Empire as a whole? What would it mean? It would mean, in the first place, that the energy, the genius, the strength, the power, the research of the commercial communities of Great Britain would be directed more and more to her colonial possessions, and that whatever there was of advantage in the direction of these powers towards the development of the colonies would immediately have its result in the rowth and progress of these colonies."

Here is the key-note to the commercial tune which Mr. Foster would play to the outside world, and this is one that most people would agree with it were it immediately practicable. But it is to be feared that the time is not yet when Great Britain can afford to make such discrimination

between the one or the other contributor to her commercial and industrial requirements. Until the colonies are in a position to satisfy her demands to a much larger extent than they are now capable of doing it seems hopeless to expect that a preference, which would be so costly to her people, could be granted.

But there is no reason why, in the meantime, some steps should not be taken to obtain a partial realisation of advantages that, it is hoped, would follow from preferential colonial tariffs. To whatever point the principle might ultimately be capable of extension, it may be safely asserted that there are now many restrictions to intercolonial commerce, caused by duties that might, with mutual advantage to those concerned, be subjected to revision on the lines of differential treatment. In the foregoing pages some indication is given of the direction this policy might take in the case of Canada, and an examination of the Australasian tariffs would very probably result in similar conclusions being arrived at.

The result of the recommendations which the Conference made in respect of inter-British tariffs must, so far as regards their application to trade between Canada and these colonies, depend on what answer be given to the request made to the Imperial Government for an extension of treaty-making rights. In respect of Australasia this power already exists; but so far it has not been used. Whether the attention that has been directed to the subject by the Conference will have the effect of urging forward practical action remains to be seen. The resolutions at Ottawa echoed but the voices of the few: it is the many who must determine their value, and decide whether the principles they embody are such as would, if put in practice, tend to the general advancement of the Empire's interests.

THE CANADIAN EXPERIMENTAL FARMS.

It will, perhaps, be of interest to the people of this colony if some brief reference be made to an institution which has been found of great benefit to the agricultural community of Canada. I allude to what are there known as experimental farms, of which there are at present five in operation, but it is intended that more shall be established if circumstances require them. The idea of instituting these State-conducted farms was brought forward in 1886 by Sir John Carlin, who was then Minister for Agriculture. It was felt that by the aid of experimental operations carried on at the public cost much time could be saved and experience gained in the prosecution of Canadian agriculture. A Bill for establishing such a national measure was passed through Parliament almost without opposition, and a commencement was at once made. The area of Canada is so large, and the climatic and other conditions vary so greatly, that it was considered advisable to make provision for farms in different parts of the country. The first step was taken in Ontario, within a few miles of the city of Ottawa, where some five hundred and fifty acres were purchased, upon which has been established what is known as the Central Farm. This farm is now in full operation, and every description of experimental work is carried on there. The institution is managed by the Director, who also controls all the branch establishments; and residing on the farm are the Dairy Commissioner, the Entomologist, Chemist, and Horticulturist. Laboratories are fitted up with appliances for making tests and analyses of manures, soils, quality of seeds, &c. Farmers from all parts can send in any of the above articles for scientific examination without any charge. The professors also give lectures and addresses on matters of interest.

With regard to the actual operations of the farm, they embrace almost every branch of agricultural procedure. Experiments are carried on in the growth of a variety of cereals, root-crops, and the results are recorded. From time to time these are published, and a distribution of the information made throughout the Dominion. Seeds are sent out to farmers, who are requested to test their suitability for the district, and report thereon. Fruit-trees, shrubs, &c., are also grown, and distributed to the branch farms, so as to find out which varieties are adapted to particular portions of the country. Stock of various kinds are also kept, with a view to furnish information as to stock-raising and dairying matters of interest.

I spent a very pleasant afternoon in company with Sir John Carlin at the Ottawa farm, and was shown over the whole establishment by Professor Saunders, who is the chief Director. The work that has been done, and the complete manner in which every branch of investigation is conducted, testifies to the energy and scientific method of the management. I was informed that the department would be glad to reciprocate with us any trees, shrubs, seeds, or other agricultural products that it might be thought desirable to exchange. Perhaps one of the most interesting sights at the farm is that in which the relative merits of fence-making shrubs is shown. A large space is devoted to the growth of these, many different kinds being planted in rows, particulars of their yearly growth, effects of climate on same, &c., being recorded. That these institutions are being much appreciated is shown by the fact that last year over twenty thousand farmers availed themselves of the advantages which they afford.

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