

Power or not. What has caused the complete change of front and departure from the Munroe doctrine on the part of the United States it is not for me to discuss. How the change will affect New Zealand is, however, worthy of consideration. The islands lie right on the ocean track between New Zealand and San Francisco; therefore the prospect of trade between Canada and Australasia, together with the recent developments in British Columbia, should not be overlooked. The harbour at Honolulu is one of the best in the Pacific, and is the only good coaling-station between Hongkong, San Francisco, and Vancouver. The securing of these islands by America would also have a detrimental effect in respect to the Pacific cable. Moreover, a great foreign Power would be brought much nearer New Zealand; and, should necessity arise, the islands could be used as a defensive or aggressive base, to the peril of inter-colonial shipping and commerce. Should the proposed annexation actually take place, it goes without saying that the United States would strengthen her squadron in the Pacific, and the other nations interested in the Islands would probably have to do likewise.

New Zealand has done a good deal to establish a trade in the Pacific. This trade is practically in its infancy. With annexation, the new American tariff will obtain in the Hawaiian Group, and our trade there must inevitably suffer. As a matter of fact, it is well known that owing to the new American tariff practically abrogating the treaty between Hawaii and America the annexation movement arose. It cannot be claimed for a moment that American interests are paramount in the Islands; there has been no purchase, and no conquest; in fact, nothing has been done except that, when the Queen of Hawaii was deposed, America favoured the oligarchy then established, and that, later on, a Convention declared "That the Hawaiian Islands should be controlled by the United States, and that no foreign Power should be permitted to interfere with them."

The population of the Islands, as far as I can gather, consists of 47,000 natives, 21,000 Japanese, 19,000 Chinese, 12,000 Portuguese, and some 5,000 Europeans and Americans of a cosmopolitan character, of whom not one-half are Americans. From the Press, it would seem that the Anglican bishop asserts that the people do not favour annexation. Japan has objected to the annexation, and has placed the position before other interested nations. If the Japanese wish that the Islands should remain as at present, her claim is a good one; but if the object is Japanese control, then American annexation is preferable. There is, however, nothing at present to warrant the course taken, and, under all the circumstances, the action of America at the present juncture is, if not unfriendly, at least very selfish. It would therefore be well if the Powers interested asked for reconsideration, and it would be in the interest of all concerned to make the Hawaiian Islands the Switzerland of the Pacific.

FREIGHTS.

As there has been and is a diversity of opinion respecting freights, and as this is a question of vital interest to the colony, I will give to honourable members, as briefly as possible, my views upon the subject. After making allowance for the extra cost of coal and the necessity for vessels visiting different ports, we still pay higher rates than producers pay in Australia. Notwithstanding the high rates charged, it has been urged that the shipping companies have not paid large dividends. I would ask, How could they? for it is a well-known fact that the vessels were originally entirely unsuited for the trade in which they were engaged. Owing, probably, to bad management and mistakes at the initiation, and the large expense of working owing to the unsuitability of the vessels, there was a time when almost the whole of the capital invested was lost. As will be seen by the value of the shares to-day, the dividends paid, and the reserves made, the position has been retrieved during the past few years; but this has been done at the expense of the producers of the colony. The direct shipping companies are now working on much better lines. The vessels have a much larger carrying capacity, with a much less consumption of coal; and though the passages may