

No. 35.

TELEGRAM to the SECRETARY of STATE, 21st December, 1889.

(No. 67A.)

REFERRING to your Despatch No. 8, of the 7th May, Governor of Tasmania advises A.-2, 1890, No. by telegraph that Macquarie Island included in letters patent creating office of Governor of Tasmania. What is the correct version? Is it necessary to proceed with proposed annexation.

No. 36.

MY LORD,—

Government House, Dunedin, 23rd December, 1889.

I have the honour to inform your Lordship that Mr. Deakin, the Chief Secretary of Victoria, is at present on a visit to this colony.

The President and members of the Victorian Commission took the opportunity of giving a banquet to the President and Commissioners of the New Zealand and South Seas Exhibition, which was held on the 11th instant, and was attended by most of the members of both Houses of Parliament now in Dunedin and by myself. Mr. Deakin availed himself of the opportunity to give expression to his opinion on the subject of the federation of the Australasian Colonies, with special reference to New Zealand and the Federal Council. I have the honour to enclose a copy of the speech which he delivered.

The Press of New Zealand has hitherto treated the proposed scheme with but little favour, and the public men of the colony have refrained from giving expression to their opinions.

There can be but little doubt that the leading commercial men of this the most prosperous city of New Zealand were greatly captivated by the manner in which Mr. Deakin dealt with the subject, and specially with the prospect of an opening to their markets by the reciprocity with Victoria which federation would secure. The butter, coal, wheat, and oats which New Zealand could send to Victoria, to say nothing of her growing woollen and boot and shoe manufactures, would far outweigh any commercial advantages which Victoria would gain by the free admission of her wines, the only commodity of importance which this colony receives from Victoria. So far as I have been able to gather, the general opinion of the colony appears to be hostile to Mr. Deakin's proposals. There is a feeling that the future race of New Zealand will be different in many qualities from that of Australia; that her insular position and numerous harbours are likely to make her more of a maritime nation than the colonies of the continent, and her position is compared with that of England and the European Continent, though it seems to have escaped the notice of these critics that in the Southern Hemisphere the island and the continent are one in race, in forms of government, and, to a large extent, in religion also. The model which Sir Henry Parkes appears to have set before his hearers is rather that of the Dominion of Canada than of the United States of America, and in New Zealand there is less disposition to view favourably a confederation such as is exemplified in the Dominion of Canada, where the Federal Parliament is supreme in all matters except such as are left to be dealt with by the Provincial Legislatures as being of local import only, than a federation where, as in the United States of America, the individual States are supreme except in so far as they have delegated their powers to the federal authority.

Tempting as is the inducement held out to the merchants and farmers by the proposal to break down the wall of intercolonial Protection which Victoria has set up, there are many who believe that, in a favourable season, Australia would need but little of those food supplies with which New Zealand is able to furnish her, while her manufactures are not likely to increase and improve at a lesser rate than the manufactures of this colony.

The different provinces of New Zealand will estimate the value of intercolonial free-trade and the price they are prepared to pay for it in proportion to the importance in which the Australian market is held in Auckland, Wellington, Canterbury, and Otago. The oats, cheese, and butter of the two latter already find their way to the continent, while the smaller industries of Auckland, and