

long, and prove a great source of protection to all the federated States; but your Commissioners feel sure that many years must elapse before the Commonwealth can afford to man and maintain a squadron in any degree adequate to the purposes for which it would be required. Your Commissioners believe that the best protection this colony can have against foreign aggression is the Imperial fleet, and that the Commonwealth and New Zealand should increase the annual subsidy paid to the Imperial Government in respect of the Australasian Squadron, upon condition that the number of warships composing the squadron be increased and ships of a higher class employed in Australasian waters.

The enrolment and annual training of an Imperial Naval Reserve for service on board His Majesty's ships in these seas is worthy of serious consideration.

Your Commissioners were informed of the probability of the early establishment of a military college in the Commonwealth. In such an event there should not be any difficulty in arranging for officers of the defence forces of New Zealand pursuing their military studies at such college, whether New Zealand federates with Australia or not.

Your Commissioners are unable to see any advantage as regards mutual defence which would arise from federation.

IV. POSTAL AND TELEGRAPHIC.

It is problematical whether the Federal Parliament will follow the example set by this colony in the establishment of universal penny-postage and cheap telegrams, or whether, in the event of New Zealand becoming a State of the Commonwealth, she would be permitted to continue those systems; and it is doubtful if, in the matter of mail contracts and subsidies, the Commonwealth Government would be prepared to recognise and adequately provide for the requirements of New Zealand, especially as regards oversea services.

Should New Zealand join the Federation serious disadvantages in the matter of postal and telegraphic administration would probably be experienced, owing to the distance of these islands from Australia, and it would be necessary to vest such large powers in officials in New Zealand that the department would have to a great extent to work independently of the central authority in Australia. It appears to your Commissioners that, so far as postal and telegraphic matters are concerned, the result of federation would be almost certain loss to New Zealand.

V. ADMINISTRATION OF JUSTICE.

It has been urged that one reason for federation is that thereby uniformity of the law upon certain matters would be obtained, to the great advantage of New Zealand.

From the evidence before your Commissioners, it appears that no serious difficulty has hitherto been experienced owing to any want of such uniformity, either as regards commercial or any other branch of the law; nor has there been any difficulty, so far as procedure is concerned, in enforcing in New Zealand judgments obtained in Australia, or *vice versa*. Your Commissioners are of opinion that whatever differences there may be between the law of Australia and New Zealand can be satisfactorily adjusted even if the latter remain a separate colony.

The criminal law would, in any event, remain under the exclusive jurisdiction of the State Legislatures, each of which would be able to pass such criminal laws as the Constitution of the State allowed, without interference by the Federal Parliament: that Parliament not having power to pass laws relating to crimes, beyond providing remedies and punishments for breaches of statutes passed by it.

The Constitution Act creates the High Court of Australia, with jurisdiction, subject to regulation by Parliament, to hear and determine appeals from the Courts mentioned in section 73. The jurisdiction of the Court of Appeal is not