

But the meaning is, I apprehend, to be gathered from the succeeding paragraph, which affirms that Foreign Governments ought not to be allowed to become parties to stipulations respecting the trade of one part of the Empire to another, whether by land or sea : and further light is thrown upon it by the observations in the New Zealand Memorandum, that the object of the Treaty with the Zollverein seems to be to prevent the Colonies making reciprocal arrangements with the United Kingdom ; that “ if Great Britain were to confederate her Empire, it might, “ and probably would be a condition, that throughout the Empire ; there should be “ a free exchange of goods ; ” and that the effect of the Zollverein Treaty “ is to “ make Great Britain hold the relation of a foreign country ” to her Colonies.

It seems, therefore, to follow that, in the opinion of some at least of the Australasian Governments, the ports of the United Kingdom should not, as at present, be open to the produce of the whole world on equal terms, but that the produce of the Colonies should be specially favoured in British ports ; or in other words, that we should abandon the principles of free trade, and return to the old system of differential duties. The New Zealand Memorandum indeed suggests that the best arrangement would be a Customs Union embracing the whole Empire ; but it may perhaps be thought that if it has been found impossible for adjacent communities, such as those of Australia, to come to an agreement for a common system of Customs duties, it is scarcely worth while to consider the possibility of so vast a scheme as the combination of all parts of the British Empire, scattered over the whole globe, under such widely varying conditions of every kind, in one Customs Union. But apart from the insuperable practical difficulties of such a scheme, it is sufficient to point out that its results, if it could be adopted, would certainly not be to promote the views of commercial policy set forth in the papers now under consideration. For, in such a Customs Union, Great Britain, with her wealth and population, must for an indefinite period exercise a greatly preponderating influence ; and it is not to be supposed that the people of this country would, in deference to the views of the Colonies, depart from the principles of free trade, under which the trade and commerce of the Empire has attained to such unexampled prosperity.

The New Zealand Government seem not to have perceived the difference in principle between the formation of a Customs Union and the conclusion of reciprocity agreements. Customs Unions, which have hitherto, as far as I am aware, never been formed except between neighbouring communities, have for their object the removal of the barriers to trade created by artificial boundaries, and the establishment of a cheaper and more convenient mode of collecting the Customs revenue of the united countries. But the formation of such an union does not, in itself, involve any question of protection to native industry, nor of inequality of treatment of imports from countries not belonging to the union. On the other hand, such reciprocity arrangements as the Colonies desire to conclude are not confined to the promotion of free intercourse between each other, but are intended to secure for the trade of the respective Colonies special advantages, as against imports from other places, in return for corresponding concessions. It is no doubt true, as the New Zealand Memorandum points out, that reciprocity agreements might somewhat mitigate the evils of the “ retaliatory tariffs of a protective “ character which have grown up ” in the Australasian Colonies. But although they might avert the ruinous policy of retaliation, they would also tend to perpetuate and strengthen the system of protection, and to aggravate in other quarters the very evils which, as between the favoured Colonies, they would professedly diminish.

A Customs Union, while it would incidentally secure important advantages to native industry, by the removal of all obstacles to internal trade, would do so without establishing the principle of differential duties.

The Colonies forming the union might, no doubt, pursue a protectionist policy, and as Her Majesty’s Government have ceased to interfere with the right of the self-governing Colonies individually, as claimed in the Memorandum signed by the New South Wales, Tasmanian, and South Australian Delegates, “ to impose “ such duties on imports from other places, not being differential, as each Colony “ may think fit,” they would have no reason for interfering with the right of a