permit suitable reciprocal arrangements; but Lord Kimberley states that in 1868 the provision was made in the expectation that other Provinces would join the Dominion, and that the assent of Her Majesty's Government was given in consequence. It may be assumed that Lord Kimberley uses the word "expectation" in the sense of desire. It was not necessary to make provision for remission of duties in the case of those Provinces which became part of the Dominion, for the fact of becoming part would have caused the duties to cease. It must be concluded that Lord Kimberley wishes it to be understood that the provisions in the Act passed since the constitution of the Dominion were made with the view of encouraging other Provinces to join, or of preventing obstacles being thrown in the way of their joining, and not upon the grounds which previously, for a long period, led to similar legislation in the different North American Provinces. The words "circumstances so peculiar and exceptional" do not apply to the legislation, for that was of a traditional character, but to the desire of the Dominion and of Her Majesty's Government to encourage and promote a further union of the British American Possessions. This desire constituted what Lord Kimberley terms "the circumstances so peculiar and "exceptional." But for that desire, where was the urgency? and if there was urgency in the British North American case, why is there not urgency in the case of Australasia, in the presence of a similar desire to encourage a Customs Union or a Confederation? The actual results in Australasia lead inferentially to the belief that the Dominion authorities and Her Majesty's advisers were correct in considering the matter urgent in the interest of Confederation, although the proof is only of a negative character. The mere power to make reciprocal arrangements might not in itself be sufficient to induce Confederation; but Australasian experience leads to the belief that it would tend to prevent the growth of obstacles to Confederation. In the absence of the power desired by the Australasian Colonies, retaliatory tariffs of a protective character have grown up; and the way to Confederation, or to a Customs Union, has in consequence become more difficult than it was when the power to make reciprocal arrangements was first asked for, or than it would be now if the power had been granted. The inference is that those who in the case of British America deemed the matter urgent, were right; and that the Secretary of State, desiring a Customs Union or Confederation of the Australasian Colonies, can only deny that the matter is urgent on the assumption that it is too late to deal with it, because of the disposition which has been shown to impose hostile intercolonial tariffs. Several of the protective duties now in force in the Colonies owe their origin to feelings of self-defence or retaliation. The most ardent free-traders have admitted that the tariffs of some Colonies have forced protective duties on others; so that the absence of reciprocity has actually fostered protection. Therefore, in respect to the four propositions, it can be said, that in the interests of a Customs Union or of Confederation there was urgency, because the power to enter into reciprocal arrangements would, in all probability, have prevented the fresh obstacles to union which have grown up; and that, in the interest of free trade, reciprocity was desirable, because its absence has encouraged protection. No doubt, it may be argued that special reciprocal arrangements are in their nature opposed to free trade; but the test of the theory would be the practice; and if that practice were principally confined (to quote his Lordship's justification of the Acts of Newfoundland and Prince Edward Island) to "a limited list of raw materials and "produce not imported to those Colonies from Europe," it might readily be understood that, in respect to other articles, the absence of retaliatory tariffs would tend in the direction of free trade. It is not desired, however, to contend that with powers of reciprocity there would necessarily be free trade in Australasia, any more than, with similar powers, free trade has been the rule in Canada. It is merely contended that in some of the Australasian Colonies the desire for free trade has been stamped out by prohibitory tariffs, which have owed their growth, partly or wholly, to the absence of that power of reciprocal arrangement so unaccountably withheld from Australia, whilst its urgency was admitted in the case of Canada. The question naturally arises why Lord Kimberley should only compare the proposed legislation with that of the period subsequent to the formation of the Dominion. If he would compare it with the precisely similar legislation of the British North American Provinces prior to the Dominion, he might admit not only that when the Dominion was formed the legislation was required to encourage other Colonies to join, but that the legislation and the friendly intercourse which grew up under it had something to do with the establishment of the Dominion, and that, therefore, it was conducive to a desirable result.

The Colonial Treasurer proceeds to comment on the various questions which Lord Kimberley states the proposal before him raises:—1st. "Whether a precedent exists in the case of the British "North American Colonies for the relaxation of the rule or law now in force?" His Lordship admits the precedent, but qualifies the admission, first, as already mentioned, by contending that the Act of the Dominion was passed under peculiar and exceptional circumstances; and second, in the case of the Prince Edward Island and Newfoundland Acts, by contending that "as dealing with a limited list "of raw materials and produce not imported to those Colonies from Europe, they are hardly, if at all, "applicable to the present case."

It has already been shown that the "peculiar and exceptional circumstances" can only mean, the circumstances calculated to induce the Colonies affected to join the Dominion, or the prevention of obstacles which would preclude their joining; and those circumstances are precisely of the nature which Her Majesty's Government, in the desire to encourage an Australasian Customs Union or Confederation, should not deem exceptional. In respect to the Prince Edward Island and Newfoundland Acts, it may with propriety be assumed that the Australasian Colonies will exercise the powers they ask for with the same judgment, moderation, and discretion which the two North American Colonies have shown. Those Colonies possess the power sought by the Australasian Colonies; they exercise it without their Acts being reserved for Her Majesty's pleasure: but in the case of the Australasian Colonies the power is withheld; and when they ask for it, and cite the precedent, it is not to them a satisfactory answer to be told, in effect, that the precedent need not be dwelt upon, because the Colonies enjoying the privilege have used it sparingly. No doubt, Lord Kimberley did not wish directly to urge this plea; but throughout his Lordship's Despatch, and indeed, at the base of all his objections, is the supposition that the Australasian Colonies, if they possessed the power of entering into reciprocal arrangements, would use it in a manner injurious to the interests of Great Britain. But