

it might and probably would be a condition, that throughout the Empire there should be a free exchange of goods. The arguments in favour of a Customs Union between Colonies have as much force in their application to a wider union embracing the whole Empire. Either the Zollverein Treaty would prevent this, or the necessary legislation would make the quoted clause inoperative. The effect, if not the intent, of the stipulation in the Zollverein Treaty is to make Great Britain hold the relation of a foreign country to her Colonies.

It is appropriate here to urge on the Secretary of State, since he has the subject under his notice, not to confine his consideration to the mere question of intercolonial arrangement. His Lordship entirely refrains, in his allusion to the British American Acts, from noticing that they contain not only a discretionary power to admit Colonial articles free, but also to admit, under similar conditions, articles from the United States. Great as is the distance between the British American and Australasian Colonies, the vast limits of the United States bring that country into ready communication with Australia as well as with British America. It may be for the interest of the Australasian Colonies, just as much as it has been for that of the British American Colonies, that arrangements should be made to admit free, articles from the United States or from some other country. It is desirable that the Secretary of State should define the position of the Australasian Colonies in this respect. Are they to be denied the power which for a long period the British American Colonies have uncontrolledly exercised? That power gives them the right to make reciprocal arrangements with their American neighbour; for only on the ground of the arrangements being reciprocal would they fail to be infractions of the "most favoured nation" clauses of British Treaties with Foreign Powers. The Australasian Colonies would value similar powers.

The third and fourth questions raised by Lord Kimberley are sufficiently analogous to make it convenient that they should be considered together. They are:—"Whether a general power should be given to the Australasian Governments to make reciprocal tariff arrangements, imposing differential duties, without the consent of the Imperial Government in each particular case?" and "Whether, on grounds of general Imperial policy, the proposal can properly be adopted?"

The Colonial Treasurer submits that these questions really raise the issue, whether, in the original Constitutions granted to them, the Colony should have been allowed so much discretion as to fixing their own tariffs; and, if this be the issue, the Treasurer admits that much may be said against the discretion which has been granted.

The exporters of Great Britain are, no doubt, largely affected by the nature of the Colonial tariffs; but it can make no difference to them whether New South Wales and New Zealand exchange their produce free under a special reciprocal arrangement, or by virtue of an Act constituting them into Provinces with a federal union. The actual duties affect the exporters, and not the question whether those duties are the result of federal constitution or reciprocal arrangement. In failing to assert the right to control Colonial tariffs, Great Britain does not take advantage of her power to consolidate an immense trade, from which she and her Dependencies might equally benefit. But it must be observed that, if the right were asserted, it would logically follow that the Colonies should enjoy some share, either by representation or consultation, in deciding the policy by which they would be affected.

Lord Kimberley writes:—"Her Majesty's Government are alone responsible for the due observance of treaty arrangements between foreign countries and the whole Empire; and it would scarcely be possible for the Colonial Governments to foresee the extent to which the trade of other parts of the Empire might be affected by special tariff arrangements between particular Colonies." The remark as to the trade of other parts of the Empire might be applied with as much cogency to the actual tariffs fixed by the Colonies as to the special arrangements entered into between them. Lord Kimberley, recognizing the difficulty which Great Britain would have in dealing with the matter, points to the want of local knowledge which Her Majesty's Government would labour under. The same want of information would equally affect the ability to decide the Colonial tariffs, unless, in either case, there was available the assistance of Colonial representatives. In short, Great Britain must logically do one of two things—either leave the Colonies unfettered discretion; or—if she is to regulate tariffs or reciprocal tariff arrangements, or to make treaties affecting the Colonies—give to the Colonies representation in matters affecting the Empire. In other words, she must apply in some shape to the Empire that federation which as between the Colonies themselves Her Majesty's Ministers constantly recommend. To urge the right of Great Britain to regulate these matters under present circumstances, is to urge that the interests of the Colonies should be dealt with in the absence of the requisite knowledge of their wants and requirements.

In one passage in his Despatch, Lord Kimberley infers that reciprocity in reality means protection; and, again, he writes—"Her Majesty's Government are bound to say that the measure proposed by the Colonial Government seems to them inconsistent with those principles of free trade which they believe to be alone permanently conducive to commercial prosperity, nor, as far as they are aware, has any attempt been made to show that any great practical benefit is expected to be derived from reciprocal tariff arrangements between the Australasian Colonies." There could not be more striking evidence of the disadvantage under which the Colonies in their present circumstances would labour, if the treatment of their fiscal interests were left to Her Majesty's Government, than is supplied by these observations of the Secretary of State. "The measure proposed" may be used to do no more than that which, as already observed, his Lordship in the case of Newfoundland and Prince Edward Island seems to consider unobjectionable. It may be used to make similar arrangements to those which were introduced in the treaty with France, devised by the late Mr. Cobden, the apostle of free trade. It is true that it has been said that that treaty was not a free-trade treaty, but it undeniably was made in the interests of free trade. Again, "the measure proposed" may be used to bring about that Customs Union to which Lord Kimberley is not averse; and, as already shown, it may be used to stop those retaliatory tariffs which impede free trade and stimulate protection. In fine, it may be used to encourage the exchange of the productions of the temperate and tropical portions of the Australasian Colonies, without even remotely affecting the interests of British exporters.

If, in commenting upon Lord Kimberley's Despatch, the Colonial Treasurer has appeared to