

In the face of the strongly expressed opinions enunciated in your letter, adversely to the object contemplated by the proposed Conference, I see nothing to be gained by attempting to combat the views on this point of the Government of New Zealand, beyond recording my own belief that you have overstated the difficulties likely to obstruct the establishment of such a union between the Continental Colonies and Tasmania; and that you have formed an erroneous estimate of the probable effects of such a fiscal policy upon the commercial and producing interests of the Federated Group.

In acknowledging the receipt of the Memorandum attached to your letter, embodying the views of the Governments of New South Wales, New Zealand, and Queensland, on several matters affecting the relations of the Colonies with the Mother Country, with foreign States, and with each other, it is due to the Government of Tasmania that I should state that the Memorandum in question has never been officially communicated to me, and that I read it for the first time as an enclosure to your letter.

The topics embraced in that Memorandum might be appropriately discussed at the Conference I have recommended. But I am inclined to think that insuperable obstacles would be found to stand in the way of the attainment of the object aimed at in the Resolution which suggests collective action in the direction of Intercolonial Differential Duties, and Reciprocity Treaties with foreign States.

The recent abrogation by the United States Government of the Reciprocity Treaty with Canada, accompanied by the declaration in the President's Message that its continuance would prove commercially beneficial to no State or citizen of the Union, leaves little room for the anticipation that Australasian wool would be admitted duty free into the United States; while there is still less reason to assume that the British Government would undertake to negotiate a Reciprocity Treaty with any foreign Government, either as a measure of Imperial finance or in the interests of any particular Colony or group of Colonies.

As regards the power of the Colonies "to make mutual arrangements for the interchange, duty free, of their several products and manufactures," I may be permitted to remind you that this Colony has already sought to exercise that power, by passing an "Intercolonial Free Trade Bill," which failed to receive the Royal assent.

Since then, however, two successive Secretaries of State, as quoted in my Circular Letter proposing the Conference, have signified the readiness of Her Majesty's Government to acquiesce in the collective action of the Colonies, in the direction of a Customs Union or otherwise, "in furtherance of their wishes and interests." I have therefore aimed in my proposal at the accomplishment of an object which is, I believe, attainable, and likely to prove largely beneficial to the Colonies embraced in its scope.

I have now to inform you that the meeting of the Conference stands fixed for the 20th June; and I entertain a confident expectation that the Representatives of this Government will meet at that day, in Melbourne delegates from all the Continental Colonies, fully empowered, and I trust prepared, to adopt the proposals I shall then have the honor to submit for their collective consideration.

I have, &c.,

J. M. WILSON.

The Hon. the Colonial Secretary, New Zealand.

#### No. 11.

The Hon. W. GISBORNE to the Hon. COLONIAL SECRETARY, Tasmania.

(No. 1,468.)

Colonial Secretary's Office,

SIR,—

Wellington, 9th June, 1870.

I have the honor to acknowledge the receipt of your communication of the 9th ultimo, on the subject of the Intercolonial Conference.

Although the Government cannot agree that it is desirable for New Zealand to enter into the proposed Customs Union, it is possible the other Colonies concerned may consider that the restraints under which such a Union would place them would be compensated by some corresponding advantage, and the Government will watch the proceedings with great interest.

The Government cannot agree that the Colonies should submit to being prevented from entering into convenient commercial relations with each other. It cannot be said that the difficulty in respect to treaties is insuperable, seeing that the British-American Colonies did a long time before the creation of the Dominion enter into reciprocal arrangements.

It is the intention of the Government of New Zealand to submit to the Assembly a proposal to authorize the payment of bonuses on Intercolonial imports. By this plan the technical difficulty may be surmounted. I enclose you a printed copy of the opinion of the Attorney-General of this Colony on the subject of Intercolonial Reciprocity.

I have, &c.,

W. GISBORNE.

The Hon. the Colonial Secretary, Tasmania.

#### Enclosure in No. 11.

##### OPINION OF THE ATTORNEY-GENERAL ON COLONIAL RECIPROCITY.

By certain provisions of the Legislatures of Canada and other British North American Colonies, certain specified goods, as grain, salted meats, butter, cheese, poultry, and some others, may, if of the growth or produce of any other of the British North American Provinces, be imported into the legislating Province free of duty; and any other articles besides those specially mentioned may, if of such growth or produce, be exempted, by Order of the Governor in Council, from payment of Customs duty. (See Statutes of Canada, 1859, chap. 17, sec. 3; also, Statutes of Canada, 1866, chap. 6, secs. 5 and 6; also, Revised Statutes of Nova Scotia, sec. 8, chap. 8 part 1.) This has been the legislation of British North American Colonies.

In Australasia, however, there does not appear on the Statute Books of the several Colonies any Acts permitting such reciprocity; and the question naturally suggests itself, how is it that this is so? Bearing in mind the differences in climate, soil, and other natural advantages which exist, rendering, as such differences do, an interchange of products certain unless prevented by injudicious legislation; and further, the facts that these districts which now form the several Colonies of New