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 it is singular that Lord Kimberley should give two instances only of British American legislation of the kind, and that he should assign to that legislation the character of "dealing with a limited list "of raw materials and produce not imported to these Colonies from Europe." There are other Acts of the British American Provinces of a similar nature, but which leave to the Governor in Council to determine the articles to be admitted. Indeed, it is difficult to understand on what grounds Lord Kimberley considers the two clauses which he quotes from the Newfoundland Act to have the character he assigns to them. The clause quoted from the Prince Edward Island Act professes to deal with "raw materials and produce," but includes several manufactures. The clauses from the Newfoundland Act do not even profess to exclude manufactures from the list; and the first of those clauses, instead of not dealing with goods imported from Europe, proceeds to the length of exempting from duties the articles mentioned, being "the growth, produce, or manufacture of the United Kingdom."

In respect to the second question, "Whether Her Majesty's treaty obligations with any Foreign Power interfere with such relaxation?" *i.e.*, the rule or law against differential duties, the Colonial Treasurer observes that Lord Kimberley admits the correctness of the view taken by New Zealand. It is a matter which should create much satisfaction, on broad and enlightened national grounds, that the right of Her Majesty's Colonies to make between themselves arrangements of a federal or reciprocal nature, without conflicting with treaty agreements, has been recognized. It would have been demoralizing to the young communities of Australasia, had they been taught to believe that reciprocal tariff arrangements between the Colonies were inconsistent with Her Majesty's treaties with Foreign Powers, but that they could override the spirit of such treaties by the subterfuge or evasion of a Customs Union. If, for instance, it be a wrong to any Foreign Power that New Zealand should admit free of duty any produce of New South Wales, while for like produce from any other Colony or country a duty would be demanded, the wrong would be just as great if, by Imperial legislation, such free admission were legalized through a Customs Union. It should clearly be impossible to vary a treaty by the legislation of only one party to it; and seeing that New South Wales and New Zealand were originally one Colony, with one tariff, and may by Imperial legislation become so again, it is evident that if such a result can be brought about without the infringement of Imperial treaties, any terms of more modified arrangement, such, for example, as the free admission of only some goods, would not be open to objection on the score of bad faith with Foreign Powers.

Lord Kimberley admits that the quoted paragraph of the Zollverein Treaty has no application to the case of arrangements between different Colonies. Its object seems to be to prevent the Colonies making such reciprocal arrangements with the United Kingdom of Great Britain and Ireland as from time to time may be found desirable. A provision of this nature is at least open to the objection that it is constantly liable to be infringed. In the Act of the Canadian Dominion already referred to, and which, from what Lord Kimberley writes, appears to have been under the special consideration of Her Majesty's Government, there are provisions which beyond question conflict with the quoted paragraph in the Zollverein Treaty. The list of free goods in the Schedule to the Act comprises two items which are to be free if of British produce or manufacture. The clause quoted by Lord Kimberley from the Newfoundland Act, which makes free of duty the articles mentioned, "the growth, produce, or "manufacture of the United Kingdom," also conflicts with the provisions of the Zollverein Treaty. Again, the argument which the Colonial Treasurer has used as between the Colonies, applies as between the Colonies and the Imperial country. Why should a foreign treaty contain a provision tending to preclude the union of different parts of the Empire? If Great Britain were to confederate her Empire,