

no such effect; while the practical exemption of the Colonies from the operation of future commercial treaties which may be concluded by Great Britain, appears to be recognized as a claim that may reasonably be made by British communities not represented in the British Parliament, having powers of self-government, but which, without such exemption, are practically deprived of the power of reviewing through their representatives the exercise of the prerogative in matters affecting their fiscal and commercial concerns.

I purposely abstain from comment on the remarks of the Secretary of State, repeated in the Despatch under consideration, in reference to the subject of free trade and protection. The opinions of individual members of either Her Majesty's Imperial or Victorian Government upon this abstract question have no inherent claim to authority, and have not therefore any proper place in a correspondence of this nature between the two Governments; and this Government are bound to assert that this, as well as every other question relating to the internal control and welfare of this community, can only be judged and determined by Victorians for Victoria.

The Secretary of State points out that, "in order to meet the views of the Colonial Governments, it would be necessary to repeal so much of the Australian Government Act, 13 and 14 Vict., cap. 59, as prevents the imposition of differential duties." The law, as re-enacted in the Victorian Constitution, section 43, would no doubt require to be amended, but the spirit of what is now contended for has been in operation under "The Victorian Customs Act, 1857," 21 Vict., No. 13. Section 236 of that Act authorizes "the Governor in Council to make regulations and arrangements with the Governors of New South Wales and South Australia respectively, for the importation of goods by or across the River Murray, and for the imposition of duties and the amounts thereof on such goods, or the exemption of the same from duties, and in other respects so to regulate the trade on the said river as may be from time to time agreed upon by the said Governors or either of them; and also to determine, at not less than three months' notice, any such arrangements: Provided that no such duties shall exceed the duties of Customs lawfully collected and paid on goods otherwise imported into Victoria." The same principle is also affirmed by the Imperial Act, 18 and 19 Vict., cap. 59.

As the right of British Colonies to make commercial treaties with foreign Nations has not been claimed by this Colony, this Government do not feel called upon to offer any remarks in regard to it. They may, however, observe that the Murray River Customs Treaty is not an international but an intercolonial treaty, and His Excellency's Advisers cannot admit that a mere extension of the principle of that treaty to the boundaries other than the River Murray of the Colony of New South Wales, or to other Colonies, could have the least tendency to weaken the bonds of the Empire, or be more likely to do so than the arrangement of a similar character which has been concluded between the Dominion of Canada and Newfoundland.

I therefore beg respectfully that His Excellency will again press upon Her Majesty's Imperial Government the resolution passed by the Legislative Assembly of Victoria on the 17th October, 1871, and will also convey this explanation of the views of this Government to the Secretary of State, and at the same time assure him that the cordial spirit and friendly feeling which pervade his Despatch are fully appreciated, and that there exists in this Colony an unanimous and intense desire to strengthen rather than destroy, or in any way weaken, the ties which unite the several parts of the British Empire.

J. G. FRANCIS.

Melbourne, 8th August, 1872.

Enclosure 2 in No. 6.

COPY of a RESOLUTION moved by Mr. DUFFY on the 17th October, 1871.

THAT this Committee concurs with the Intercolonial Conference in believing that the Australian Colonies ought to be free to enter into agreements with each other for the reciprocal admission of their products and manufactures on such terms as they think fit, and that the right to exercise this power ought not be limited by Imperial legislation, or by treaties made by the Imperial Government with foreign Powers.

No. 7.

Lord CANTERBURY to Lord KIMBERLEY.

MY LORD,— Government Offices, Melbourne, 14th August, 1872.

* No. 2.

I find, on referring to my Despatch marked in the margin,* that I inadvertently omitted to enclose in that Despatch a copy of my reply to the Chief Secretary's Memorandum which was therein transmitted to your Lordship.

I now rectify this omission, and have the honor to enclose a copy of the above-mentioned reply, in which, however, I have purposely abstained from discussing, or expressing any opinion with respect to the arguments set forth in the Chief Secretary's Memorandum.

I may, however, state to your Lordship, that I entirely concur in the opinion expressed in the Memorandum, that the people of this Colony desire to strengthen, rather than to destroy or weaken, the ties which unite the several parts of the British Empire.

I have, &c.,
CANTERBURY.

Enclosure in No. 7.

MEMORANDUM for the Hon. the CHIEF SECRETARY.

THE Governor has received and perused the Memorandum of this day's date, in which the Honorable the Chief Secretary has, on behalf of his colleagues as well as for himself, explained their