

“ Empire, 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.” Again, “ The Colonial Treasurer submits that these questions really raise the issue, whether, in the original Constitutions granted to them, the Colonies 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. . . . 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.” Six months after the Colonial Treasurer’s Memorandum was written, and within a few weeks of the date of Lord Kimberley’s Despatch, Mr. Disraeli, speaking at a meeting of the National Union of Conservative and Constitutional Associations, is reported to have said, “ I cannot conceive how our distant Colonies can have their affairs administered except by self-government; but, when self-government was conceded, it ought, in my opinion, to have been conceded as part and parcel of a great Imperial Consolidation—it ought to have been accompanied by an Imperial Tariff. . . . It ought further to have been accompanied by the institution of some Representative Council in the metropolis, which would have brought the Colonies into constant and continuous relations with the Home Government. . . . In my opinion, no Minister of this country will do his duty who neglects any opportunity of reconstructing as much as possible our Colonial Empire, and of responding to those distant sympathies which may become the source of incalculable strength and happiness to this land.” The Colonial Treasurer is content to think that he did not mean anything more extravagant than was propounded by Mr. Disraeli on the occasion referred to.

Lord Kimberley states—“ The New Zealand Government seem not to have perceived the difference in principle between the formation of a Customs Union and the conclusion of reciprocity agreements. The Colonial Treasurer, in his former Memorandum, did not desire to assert that the principle of a Customs Union was the same as that of reciprocity agreements; but he wished to suggest that the power to make reciprocal arrangements might lead to the Customs Union which it is believed the Secretary of States desires. The Treasurer is unable to see how this can be questioned. There cannot be a Customs Union of the Australasian Colonies until it has been agreed what Tariff will be for their advantage, severally and collectively, or until Great Britain gives to them an Imperial Tariff. The latter, Lord Kimberley does not approve, and he questions the policy of giving to the Colonies a status which would enable them to enter into arrangements for a common Tariff. Had they the power to make reciprocal arrangements, a Tariff might be built up by common consent—which would amount to a Customs Union, requiring for its completion a final ratification only. But whilst the Colonies are prevented making reciprocal arrangements, there is little probability of their arriving at a common Tariff.

Lord Kimberley considers that the desire of the Colonies to enter into reciprocal arrangements amounts to setting up a claim “ to treat the United Kingdom itself as a foreign community, by imposing differential duties in favour of other parts of the Empire, as against British produce.” If the Secretary of State is entitled to consider in such a light reciprocal arrangements which the Colonies might make, he would be entitled to attach the same significance to a Customs Union of the Colonies; for the effect of a Customs Union, through the free interchange of goods, would be to give to different parts of the Empire—*id est*, to separate Colonies—an interchange of goods free of duty, whilst the same goods from other parts of the Empire would be subject to duty. It is difficult to understand why it should be supposed that such an effect would be hostile to Great Britain if it resulted from reciprocal arrangements between Colonies, whilst it would not partake of such a character if it resulted from the operation of a Customs Union, unless it were contemplated that the Customs Union should be the precursor of throwing off the Colonies from the Empire. Upon no other supposition is it conceivable that more serious disadvantage to Great Britain could flow from reciprocal arrangements between the Colonies than from a Customs Union. It is clear that the proposition is not a novel one; and it can only be considered as prejudicial to the interests of the Empire, by the light of the altered policy of the Imperial country towards the Colonies. Of late years, the disintegration of the Empire has been officially treated as a possible contingency. While such a contingency is admitted, all questions between the Colonies and the Imperial country are liable to be discussed under embarrassing conditions; but if, as was the case a few years ago, no possibility of the kind was contemplated, it could not now be urged that the consideration of the means best calculated to promote the trade of the Colonies had a greater significance, or one more hostile to the Empire, than the same policy had at a period when it was warmly espoused by the Imperial Government. The change, in short, is not with the Colonies, but with those who imperially govern them.

In reply to the suggestion that reciprocal arrangements would partake more of the nature of protection than would a Customs Union, the Colonial Treasurer has already pointed out, that the absence of the power to make such arrangements has led to the adoption in the Colonies of Tariffs which are not only protective but retaliatory. As pointed out by Mr. Du Cane, in his Despatch of the 29th September, 1871, the choice lies “ between a system of protection pure and simple, maintained by each Colony against its neighbours, and a system of protection modified by Reciprocity Convention,” and which might ultimately result in “ the establishment of a commercial union of the Australias and New Zealand on the basis of a common tariff.”

Lord Kimberley’s principal objection, apparently, to giving power to the Colonies to make reciprocal arrangements is that it might be used for protective purposes; and it is not clear that he does not consider that it is in the very nature of such arrangements that they should be antagonistic to the principles of free trade. It is right, therefore, that the Colonial Treasurer should state that his former Memorandum was adopted by the then Government of New Zealand, most of the members of which were opponents of the doctrines of protection. If it really be that the disinclination to grant to the Colonies the power of making reciprocal arrangements arises out of a desire to indoctrinate the Colonies with the free-trade ideas of Great Britain, too much stress cannot be laid upon the