

1873.

NEW ZEALAND.

INTERCOLONIAL RECIPROcity,

(PAPERS RELATIVE TO).

Presented to both Houses of the General Assembly by command of His Excellency.

No. 1.

The Hon. Mr. WATERHOUSE to the Hon. the CHIEF SECRETARY, Melbourne.

SIR,—

Colonial Secretary's Office, Wellington, 30th November, 1872.

With reference to my predecessor's Circular No. 66, of the 20th December, 1871, I have the honor to enclose, for the information of your Government, three copies of a further Memorandum by the Colonial Treasurer of New Zealand on the subject of Intercolonial Reciprocity, as raised by the Circular Despatch from the Secretary of State for the Colonies dated the 19th of April last.

I shall feel glad to receive any further statement of opinion that may have been formed by your Government upon this subject.

I have, &c.,

G. M. WATERHOUSE,

(for Hon. Colonial Secretary).

The Hon. the Chief Secretary, Melbourne.

(Similar Circular to each of the other Australian Governments.)

Enclosure in No. 1.

MEMORANDUM on a Circular Despatch from the Right Hon. the SECRETARY of STATE for the COLONIES on Intercolonial Reciprocity.

THE Colonial Treasurer has given careful consideration to the Earl of Kimberley's Despatch, dated 19th April, 1872, on the subject of Intercolonial Reciprocity.

Though the long correspondence on the subject has rendered inoperative the Bill passed by the New Zealand Legislature, the passage of which, in some degree, led to that correspondence, yet the Colony has no reason to complain; since it is evident, throughout the communications of the Secretary of State, that his objections have been urged in a spirit in no sense hostile to the Colonies, but, on the contrary, in one of anxiety to do justice to all parts of the Empire. Whether or not the Colonies agree with the Secretary of State, they cannot fail to recognize the conciliatory manner in which he has dealt with the question.

The Colonial Treasurer proposes to confine himself as far as possible to comments upon those portions of the present Despatch which refer to his previous Memorandum.

The Secretary of State, in his Despatch of July 13th, 1871, admitted the precedent of the British North American Provinces in favour of Intercolonial Reciprocity, but qualified the admission by contending that the precedent applied to exceptional conditions, and that its operation was very limited. Similarly, in the Despatch now under consideration, Lord Kimberley admits that the precedents "are to a certain extent in point," and goes on to observe that the application of the precedent "is exceedingly limited." This point underlies the whole contention of the Colonial Treasurer, and it involves a question rather of fact than of argument. In the previous Memorandum, it was pointed out at some length that the precedent of the British American Provinces went beyond the limited operation claimed by Lord Kimberley, and, indeed, that it went beyond that for which the Australasian Colonies were asking. In support of the application of the British American precedent, the following points were relied on:—

1. That one of the first acts of the Legislature of the Dominion of Canada was to pass such a measure as the Australasian Colonies desire to have the power to pass.

2. That the provisions in respect to reciprocity were similar to those which were in an Act of 1866, before the Dominion was constituted; that that Act was a reproduction of a former Act; and, therefore, that the legislation was not new.

3. That Lord Kimberley, in stating "that it (the Dominion Act) was passed in the expectation that, at no distant date, the other possessions of Her Majesty in North America would become part

“of the Dominion,” and that “the assent of Her Majesty, given to a measure passed in circumstances so peculiar, cannot form a precedent of universal and necessary application,” virtually admitted that the Dominion Act was assented to not because of any omission to reconsider the expediency of former legislation, but, on the contrary, because the legislation was approved of in the expectation that the consolidation of Her Majesty’s possessions in British America would be completed: that, therefore, the Australasian Colonies could not only appeal to the precedent as one of long standing, but also could appeal to it on the ground that it was recognized as compatible with, if not leading to, that very union which it is known the Secretary of State would highly approve of, in the case of the Australasian Colonies.

4. That it was singular “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.’”

5. That the British American Acts “contain not only a discretionary power to admit Colonial articles free, but also to admit, under similar conditions, articles from the United States.”

These allegations are in no way denied by Lord Kimberley, and, indeed, they are undeniably correct; but his Lordship fails to recognize that they cut at the root of some of the reasons he urges. It seems to the Colonial Treasurer that one of Lord Kimberley’s objections to granting the requests of the Colonies has, throughout the correspondence, been, that to do so would invite vast changes in the relations of different parts of the Empire. He hints that in the United Kingdom the desire of the Colonies may be regarded as one unfriendly to Imperial interests; that it would lead to the necessity of adopting a particular course with future commercial treaties; and he says that Her Majesty’s Government, “before so serious a step is taken, would ask the Colonists gravely to consider ‘the probable effects of a measure which might tend materially to affect the relations of the Colonies to ‘this country and to the rest of the Empire.’” These apprehensions are disposed of, when it is said that all that is asked is to place the Australasian Colonies in the same position as those of British America. By an accident, probably (because the stipulation is differently worded in the case of New Zealand, and an alteration in the New Zealand Constitution Act is not necessary), words were inserted in the Constitution Acts of some of the Colonies, which prevent those Colonies entering into reciprocal Customs arrangements. Those words require to be altered; and if the alteration were made, the Australasian Colonies would still have less powers than the British American Provinces have exercised for many years. But no momentous consequences have arisen from the powers exercised by the British American Provinces. It is not pretended that the exercise of those powers has retarded the progress of British America, or imperiled or injuriously affected the relations between different parts of the Empire.

The Australasian Colonies ask for nothing new. They desire nothing which is not sanctioned by precedent: they wish only to know why they, more isolated than the British American Provinces, may not be allowed to make those convenient Tariff arrangements which are suitable to their condition as a group of Colonies far distant from other countries and from other parts of the Empire. All that is asked has been granted to Canada: why should a different result follow the application of the Australasian Colonies? It would be intelligible if it were alleged that Great Britain has changed her policy; but why predict consequences that have not arisen in the past? Existing Treaties, it is admitted, interpose no obstacle: why need they, in future? If, as appears to be assumed, it is chance rather than design that has prevented existing Treaties interposing obstacles to the present proposal, surely when the conditions are more clearly understood, it is not likely that mistakes will be made in future Treaties from which accident has saved those of the past.

When Lord Kimberley denies the full application of the British-American precedent, his Lordship, it is submitted, fails to recollect that precisely similar questions of theory were raised in respect of the policy of those Provinces, but that the Imperial Government again and again decided not to allow theoretical objections to override obviously practical considerations. The Colonial Treasurer, in referring to the history of the question, is under the disadvantage of not having access to the whole correspondence, which extended over many years. It seems to have been admitted between the Imperial Government and the British American Governments, that the question of reciprocity was to be considered in two phases—the one as between the different Provinces themselves, and the other as between those Provinces and foreign countries. As far as the Colonial Treasurer is able to ascertain, theoretical objections were from time to time urged against the operation of reciprocal agreements, whilst the warmest possible assistance was rendered in order to bring them about. The Lords of the Committee of Privy Council for Trade were in the habit of reporting, in more or less decided terms, against such arrangements; the Canadian Government replied to the objections; and the Imperial Government accepted the Canadian view, sometimes warmly, sometimes under a species of protest. In 1850, the Canadian Legislature passed an Act empowering the Governor in Council to admit into Canada, free of duty, the products of any of the British American possessions. The then Secretary of State for the Colonies, Earl Grey, though he called attention to its provisions, did not disallow it. Various Acts of the same nature were passed, until, in 1860, it was proposed to much extend the conditions of interchange. The Board of Trade interposed an objection; the Finance Minister of Canada replied, in a report which was adopted by the Executive Council of Canada; and after some consideration, the Duke of Newcastle intimated that Her Majesty’s Government had no wish to offer “an obstacle to any endeavour which might be made by the respective Provincial Governments to bring about a free

“commercial intercourse between the North American Provinces.” Nearly seven years afterwards, on the occasion of a similar Act being again passed, the Duke of Buckingham and Chandos sent out another remonstrance from the Lords of the Committee of Privy Council for Trade, to which another rejoinder was made; and no further objection appears to have been offered. A similar controversy was proceeding during the same period, concerning the principle of reciprocal arrangements between the Provinces and the United States. In this case, also, theoretical objections were from time to time stated—it could be hardly said they were urged; but, on the other hand, the warmest aid was given towards effecting such arrangements. The Colonial Treasurer appends a Report of Sir John Rose, Minister of Finance of the Dominion, which, although marked confidential, has already elsewhere been published, in which that gentleman traces the history of the question as between the Imperial and Provincial Governments. It appears by that document, that so long ago as 1849, Lord Palmerston instructed Sir Henry Bulwer, “that Her Majesty’s Government regard it as of the very highest importance, both commercially and politically, that free admission to the market of the United States should be obtained for those articles which are enumerated in an Act passed in the last Session of the Canadian Parliament, of which I enclose a copy for your information.” The anxiety of the Imperial Government to arrange the Reciprocity Treaty with America is a matter of history, as is also the regret which was felt at its abrogation. When it became known that the Reciprocity Treaty was to be abrogated, the Confederate Council of Trade held a meeting at Québec, in September, 1865, at which the following resolution was passed:—“That, in the opinion of this Council, it would be highly desirable that application be made to Her Majesty’s Imperial Government, requesting that steps be taken to enable the British North American Provinces to open communications with the West India Islands, with Spain and her Colonies, and with Brazil and Mexico, for the purpose of ascertaining in what manner the traffic of the Provinces with these countries could be extended, and placed on a more advantageous footing.” The Secretary of State for the Colonies, Mr. Cardwell, cordially approved the suggestion, and promised that Her Majesty’s Government would “support it by all the means in their power.” Even the Lords of the Committee of Privy Council for Trade expressed their approval of the proposed step, although, as was to be anticipated, they drew attention to possible difficulties that might arise from it. The Commissioners appointed had every facility granted to them by Her Majesty’s Government; a man-of-war was placed at the command of some of their number. The offers these gentlemen made—under instructions received from the Minister of Finance of Canada, and approved by Her Majesty’s Government—in the various parts of the world to which they extended their travels, were in the direction of reciprocal arrangements for the remission of Customs duties. These proposals were made not only to the British West Indian Colonies, but to the Spanish West Indian Dependencies, and to the Imperial Government of Brazil. That the Commissioners were not disinclined to make exceptional and specific arrangements, may be gathered from the following proposal, made in Cuba to the Intendente, the Count De Toledo:—“I venture to suggest to your Excellency, that it would be an important step in this direction, if the Spanish Government would sanction some considerable reduction in the rates of duty—say on grain, flour, meal, provisions, fish, lumber, and other productions—provided they be imported from British North America, in vessels sailing under the flag of Spain.”

It is surely unnecessary further to urge that the Imperial Government have shown as much alacrity to aid the British American Provinces to form reciprocal alliances, as they have shown a contrary disposition in respect to the Australasian Colonies. Yet there are many records of opinion that these reciprocal arrangements were vastly beneficial to the North American Provinces; and it is in point to add, that those Imperial officers in the Australasian Colonies whose opinions are recorded, strongly recommend that the Colonies should have conceded to them the powers for which they ask. Thus the Earl of Belmore epigrammatically disposed of the objections which had been raised, when he wrote, “I am sure the true policy with regard to Australia, so far as the law permits of it, is to do everything to bring its various divisions closer together, even at the expense of a certain amount of economic theory.” Governor Du Cane has personally supported in cogent terms the representations of his Responsible Advisers on the subject.

Of late, some of the Australian Colonies have narrowed their demands to a power to make reciprocal arrangements amongst themselves. But in October, 1868, the then Premier of New Zealand, Mr. Stafford, invited the Australian Colonies to agree to a Conference, to consider, amongst other subjects, a resolution of the House of Representatives, moved by the present writer, recommending that steps should be taken to ascertain the position of the Colony in relation to Commercial Treaties between Great Britain and Foreign Powers, and especially that authority should be sought to enable New Zealand, in connection with the Australian Colonies, to negotiate with the United States for the free admission into that country of wool, the product of the several Colonies. That invitation was favourably received by all the Colonies, although the Conference was not held, owing to an agreement not being arrived at as to the time of meeting. Resolutions were, however, in January 1870, agreed to by the Representatives of New South Wales and New Zealand, one of which was to the effect that the respective Governments should “address an earnest representation to the Secretary of State for the Colonies, respecting the disadvantages under which the Australasian Colonies labour, in regard to the doubts which exist as to their power to make mutual arrangements for the interchange, duty free, of their several products and manufactures, as also in respect of the doubts which exist as to their powers to enter into Conventions with foreign countries; to point out that Canada for a lengthened period has been placed on a more favourable footing; to urge that all doubts as to the right to exercise such powers be removed; and that, in entering into arrangements with foreign countries, the Imperial Government should aid the Colonies. That such aid should be immediately granted in respect to endeavouring to negotiate with the United States for the introduction into that country, duty free, of wool, the product of the Australasian Colonies.”

The Colonial Treasurer does not urge that arrangements between the Colonies and foreign countries should necessarily be made by the Colonies. It would be more in consonance with an Imperial policy that such Treaties should be made for the Colonies at their desire, by the Imperial Government. Mr. Hammond, of the Foreign Office, in a letter dated November, 1865, to the Under Secretary of the Colonies, laid down an apparently very convenient mode by which such Treaties might

be arranged. A copy of the letter is appended. In some way, the want of arrangements of the kind must shortly be recognized. The Imperial Government have declined to accept the cession of the Fiji group, and of other groups of islands in the Pacific. The consequence is, that, more or less near to the Australasian Colonies, foreign possessions are continuing to increase; whilst concurrently the trade between them and the Australasian Colonies is also increasing. Thus, there are already the Fiji Islands, a *quasi*-independent kingdom, and the Navigator group, likely to become a United States dependency; and of older standing, there are the French Colonies of New Caledonia and Tahiti, the independent kingdom of Hawaii, and the Dutch dependencies of Java and New Guinea. The necessity must, sooner or later, arise of regulating the relations between these countries and their Australasian neighbours; and it must be decided whether the Colonies are to act for themselves, or whether the Imperial Government is to act for them.

To return to the question of simple Intercolonial Reciprocity. Lord Kimberley seems to ridicule the idea of a Customs Union comprising the whole Empire, when he writes—"It may perhaps be thought that if it has been found impossible for adjacent communities, such as those of Australia, to come to an agreement for a common system of Customs Duties, it is scarcely worth while to consider the possibility of so vast a scheme as the combination of all parts of the British Empire, scattered over the whole globe, under such widely-varying conditions of every kind, into one Customs Union." In fairness to himself, the Colonial Treasurer must point out, that Lord Kimberley scarcely does justice to the suggestions on which he comments; and that it is hardly accurate to say that it has been found impossible for adjacent communities, such as those of Australia, to arrive at an agreement for a common system of Customs Duties. Those communities have desired to arrive at such an agreement; but the opportunity has been denied them by the Imperial Government—that is to say, the Imperial Government have refused to allow them to make reciprocal arrangements. The Colonial Treasurer is surprised that suggestions such as those made by him are considered extravagant, since the theory involved in those suggestions has been enunciated by one who was recently Her Majesty's Prime Minister, Mr. Disraeli. The Colonial Treasurer wrote—"If Great Britain were to confederate her 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 State 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, their 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 best means 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.

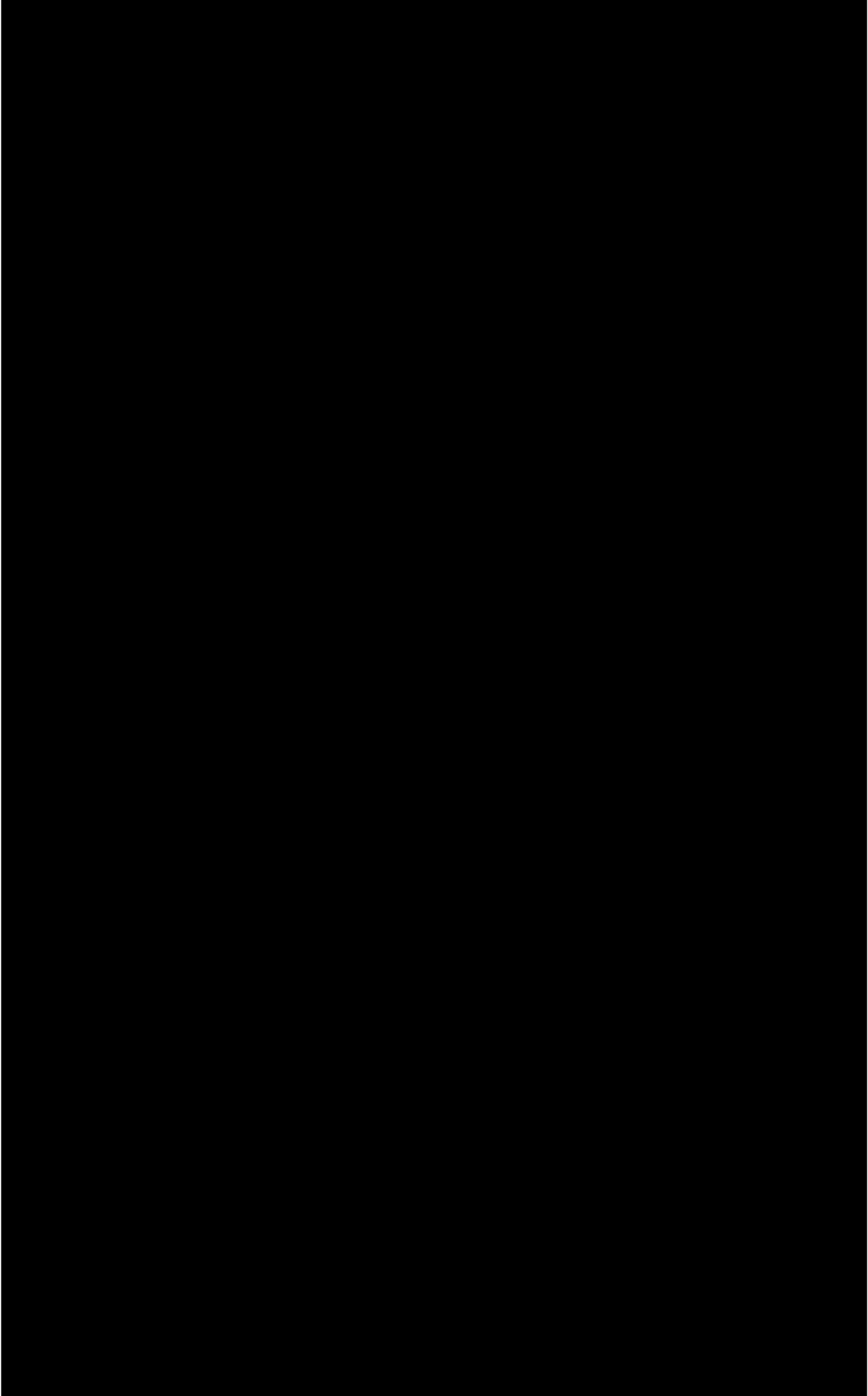
In reply to the suggestion that reciprocal arrangements would partake more of the nature of protection than would a Customs Union, the Colonial Treasurer has already pointed out, that the absence of the power to make such arrangements has led to the adoption in the Colonies of Tariffs which are not only 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 observation of the Chief Secretary of Victoria, in his Memorandum of October 7th, 1871, that "No attempt can be more hopeless than to induce free self-governed States to adopt exactly the same opinions on such questions as free-trade and protection which the people of England happen to entertain at that precise moment." Great Britain has, at various times, adopted different fiscal policies, in accordance with what seemed to her Rulers suitable to the circumstances of the country; and there are not wanting persons who fail to see that there is any greater guarantee against modifications of the present free-trade policy, than there was against the reversal of the policy of protection which at one time had an equal hold upon the minds of the people of the United Kingdom. When it is asserted, on behalf of Great Britain, that free trade is the only wise policy, it can hardly fail to be remembered that free-trade doctrines have made very little progress in other countries. And when Lord Kimberley urges as an argument against granting to the Colonies the powers they require, that a suspicion that they mean to resort, under those powers, to a protective policy, is likely to foster an unfriendly feeling between them and Great Britain, the thought naturally suggests itself, that if agreement with Great Britain's fiscal policy is necessary to the maintenance of friendly relations with her, there is scarcely a colony or country in the world with which she can be said to be on friendly terms.

The Colonial Treasurer shares with Lord Kimberley the desire that the Colonies should avoid doing anything calculated to alienate from them the cordial feelings of friendship entertained by the people of the United Kingdom; but he cannot understand how any such result is likely to follow from reciprocal arrangements between the Colonies. Possibly, a few persons interested in manufactures might feel aggrieved by one or two items of the Tariffs which would result from such arrangements; but the great bulk of the people of the United Kingdom would surely not judge the Colonists by any such standard. It is within the knowledge of the great mass of the people of the United Kingdom, that it is the desire of the Colonial Governments to promote the prosperity of the Colonists; and that they are anxious to secure as Colonists an unlimited number of the inhabitants of the United Kingdom. Whatever direction the legislation of the Colonies may take, that legislation is not intended more for the benefit of the present Colonists than for the benefit of those who may come to the Colony from the United Kingdom, and who, as Colonists, would be eagerly welcomed. It would be an injustice to the good feeling of the great mass of the people of the United Kingdom, to suppose that they would resent as unfriendly the honest desire of the Colonists to guide their legislation in the direction which they believe best calculated to promote the welfare of the Colonies, and—through the interests which the Imperial country has in the Colonies—the welfare of the Empire. It is, indeed, difficult to realize why the people of the United Kingdom should be alienated by the Australasian Colonies asking for only that which the British American Provinces already possess; or because of the Australasian Colonists holding opinions which are held by those of British North America, and which have been held by the people of the United Kingdom. The question really seems to narrow itself to this—Should the theories of a comparatively modern School of Economy outweigh the teachings of actual experience in the Colonies, backed by the recommendations of able practical men, including amongst their number Officers in the Imperial Service?

A brief *résumé* of the case, so far as it relates to New Zealand and the Australian Colonies, will, the Colonial Treasurer believes, convince the Secretary of State that whilst the Colonies have been patient and respectful in their demands, they are not likely to recall them. It is some years since it was first felt by the Colonies that it was desirable there should be an interchange of Colonial productions. That feeling did not arise in connection with any commodity which Great Britain could, or can, supply. It arose principally in respect to the excellent wines which Australia produces; and as to which the people of New Zealand and Tasmania felt it a great hardship that a supply should be denied them, except upon payment of the same rate of import duty as was demanded upon wines the produce of far-distant and foreign countries. When the question was looked into, it was found that the Constitution Acts of the several Australian Colonies expressly prohibited the imposition of differential duties, whilst the Constitution Act of New Zealand merely prohibited the imposition of any duties inconsistent with Her Majesty's Treaty obligations. It seems probable that the different scope of the enactments in

question was the result of accident; and that, in each case, what was meant was merely to prohibit



It is believed that the special circumstances which are set forth in that report, and the important political considerations which are involved, fully outweigh any objections which may be taken to the theoretical sanction given to the imposition of discriminating duties on the articles in question.

My Lords, while reiterating the views expressed by them on former occasions, on economical grounds, admit that the provisions in question are consistent with the policy heretofore pursued by the North American Provinces; and as His Grace the Colonial Secretary intimates that he is not prepared to object to that policy, this portion of the Despatch would not seem to call for further observation.

The second point, as stated by His Grace,—viz., “The exclusive favour which substantially, or at all events apparently, might be conferred on the United States, if the clause providing for the admission of certain products of that country, in the event of certain contingencies, should come into operation,” and which His Grace is pleased to say “he fears could not be acceded to,”—raises a question of such deep import to the people of this Dominion that the undersigned deems it his duty to advert to the course which has hitherto been pursued by Her Majesty’s Government with reference to it, in the conviction that further consideration will lead His Grace to withdraw the objections which by anticipation have been advanced.

The peculiar position in which Canada and the United States stand to each other, makes it for their mutual interest to exchange certain articles on reciprocal terms.

The truth of this proposition has never been denied by Her Majesty’s Government; but, on the contrary, their influence has been invariably exercised in furtherance of such reciprocal arrangements. As early as 1848, Mr. Crampton, Her Majesty’s Representative at Washington, was instructed by Lord Palmerston to urge on the American Government the establishment of reciprocal free trade in natural products between Canada and the United States; and, on the appointment of Sir Henry Bulwer, his successor, in 1849, the Imperial Government specially directed him to continue those negotiations, to the successful termination of which, in the Despatch of Lord Palmerston, it was stated Her Majesty’s Government attached the very highest importance. The consideration of the subject continued to be repeatedly pressed on the American Government between that time and the year 1854.

In the latter year, the Treaty known as the Reciprocity Treaty was finally concluded, admitting certain natural products of each country free into the other, without any qualification as to the differential or discriminating character of its provisions. On the anticipated abrogation of that Treaty by the United States in 1865, Her Majesty’s Government again lent the weight of their influence in favour of its continuance, and Her Majesty’s Representative at Washington was persistent in his efforts, as well to prevent its termination as subsequently to effect its renewal.

Indeed, since the period of its abrogation by the action of the United States Congress, the propriety of its renewal has been an object of avowed solicitude on the part of the Imperial Government.

In 1865, the delegates from Canada who visited England for the purpose of conferring with Her Majesty’s Government on various important matters affecting the interests of the Dominion, were again assured that Sir Frederick Bruce, Her Majesty’s Representative at Washington, had received instructions to negotiate for a renewal of the Treaty, and to act in concert with the Government of Canada to that end.

It thus appears that the principle of establishing special trade relations on reciprocal terms between Canada and the United States, has been uniformly recognized and approved of by Her Majesty’s Government since the year 1848.

The question has, however, been raised by the Government of the United States, whether the arrangements ought properly to be effected by means of a Treaty, or in the form of reciprocal legislation.

Objections were taken to the former course during the first negotiation in 1848; and in order to remove them, it was proposed that concurrent legislation should be had by Canada and the United States of America, under which the products of each country should be admitted free into the other. The two Bills proposed at that time, the one by Canada and the other by the United States, are almost identical in their terms with the clause to which my Lords now take exception.

It is worthy of note that the object and scope of the legislation then proposed by Canada were specially brought under the notice of Her Majesty’s Government at the time; and in a Despatch from Earl Grey, then Secretary of State for the Colonies, to the Governor-General of Canada, his Lordship states, “that Her Majesty’s Government can have no objection to the repeal by the Provincial Legislature of the duties enumerated in the Bill.”

On that occasion the Lords of the Privy Council of Trade were pleased to observe, in reference to the reciprocal legislation proposed by Canada, to meet the provisions of a similar Bill then before Congress, that “My Lords, considering the various interests in Canada which may be affected by the measure, and that the questions involved in it bear more upon the welfare of Canada than of Great Britain, recommend it to be left entirely to the decision of the Provincial Legislature.” That Bill, having been passed by the Legislature, was specially transmitted for the signification of Her Majesty’s pleasure by the Governor-General; and after full deliberation by the Imperial Government, and a consideration of its provisions by the Lords of the Committee of Privy Council for Trade, it was formally assented to by Her Majesty.

If any further approval of the character of the legislation were needed, it will be found in a Despatch of Lord Palmerston to Sir H. Bulwer, under date the 1st November, 1849, in which His Lordship states—“That Her Majesty’s Government regard it as of the very highest importance, both commercially and politically, that free admission to the market of the United States should be obtained for those articles which are enumerated in an Act passed in the last Session of the Canadian Parliament, of which I enclose a copy for your information.”

This is the same Act as that already referred to. The exercise of the power conferred by that Bill was, however, prevented by the failure of Congress to pass its measure; and before reciprocal legislation could be had, the Treaty of 1854 was entered into.

That Treaty afterwards received the formal sanction of the Imperial Parliament (17th and 18th Vict. c. 3).

On the expiry of the Treaty in 1865, negotiations took place for its renewal, and the question which had been originally raised by Mr. Clayton, the American Secretary of State, in 1848, as to whether trade relations might properly and constitutionally be regulated by Treaty, was again raised by the American Government.

Mr. McCulloch, the distinguished Secretary of the Treasury, in his Annual Report for 1865, thus adverts to the objections:—

“There are grave doubts whether Treaties of this character do not interfere with the legislative power of Congress, and especially with the constitutional power of the House of Representatives to originate Revenue Bills.”

“It is certain that, in the arrangement of our complex system of revenue through the tariff and internal duties, the Treaty has been the source of no little embarrassment. The subject of the revenue should not be embarrassed by Treaty stipulations, but Congress should be left to act freely and independently. Any arrangement between the United States and the Canadas and Provinces, that may be considered mutually beneficial, can as readily be carried out by reciprocal legislation as by any other means. No complaint would then arise as to subsequent changes of laws, for each party would be free to act at all times according to its discretion.

“It is desirable to diminish the temptations now existing for smuggling; and if the course suggested, of mutual legislation, should be adopted, a revenue system both internal and external, more in harmony with our own, might justly be anticipated from the action of our neighbours, by which this result would be most likely to be obtained.”

To meet the objections thus repeatedly urged by the Government of the United States, the clause in the Canada Customs Bill of 1868, to which His Grace calls attention, was inserted; the sole object of that clause being that Canada might by means of reciprocal legislation (in case the United States preferred that course) perform its part towards the accomplishment of an object which, as has been shown, Her Majesty's Government had repeatedly urged on the United States, and sanctioned, both by direct negotiation with that Power, by the solemnity of a Treaty, and by a formal engagement with the Canadian Delegates.

The undersigned has felt it to be so important that any negotiations which may take place with the United States for the re-establishment of free commercial intercourse between them and Canada, should be untrammelled, that he has perhaps entered at needless detail into a review of the past history of this question, and possibly gives rise to the impression that in carrying on these negotiations in the future it is intended, or that it will be necessary, to disregard the sound rules of political economy adverted to by my Lords, or practically to violate the International Treaty engagements of Great Britain entitling foreign Powers to participate in any concessions which Canada may grant to the United States.

If the obnoxious clause were put in operation, it would only renew in effect an almost identical provision in the Act of 1849 and in the Treaty of 1854.

In the correspondence adverted to in the Despatch of His Grace, which took place on the subject of the Treaty, it was shown that its operation was not to put an end to, nor even to diminish in any sensible degree, the import from other places than the United States of articles admitted free under its provisions, nor to subject either England or foreign countries to any practical disadvantage in reference to the import of their products into Canada. Any exemptions which the United States and Canada might respectively find it for their advantage to accord, could hardly, in their very nature, influence the trade of either country with foreign nations, since they would probably be limited to the interchange of those products of the two countries which, from their proximity, each might profitably interchange with the other, but which neither would receive to any sensible extent from other nations, even if no reciprocal arrangements existed.

The inquiry made by His Grace touching the articles enumerated in Schedule D, viz., “Whether there would be any serious inconvenience to Canada, in the application of the same exemption from duty to similar articles from all other foreign countries and from Great Britain,” in case Canada admitted them free from the United States, will be answered by the subjoined table, which distinguishes the amount of duty collected on each of those articles, the growth and produce of the United States, the growth and produce of Great Britain, and the growth and produce of foreign countries.

In conclusion, the undersigned trusts that, as the circumstances of political exigency and the important national considerations which, as stated by Her Majesty's Government, led to the conclusion of the former Treaty of Reciprocity with the United States, still exist,—and in even a greater degree than previous to the date of the Treaty,—and as the interests of Canada continue to be seriously affected, Her Majesty's Government will not refuse to give the same weight to these considerations as before; and that in any future negotiations between Canada and the United States, in reference to their trade relations, the Dominion will receive the co-operation and influence of Her Majesty's Government.

It will be the endeavour of Canada to see that they involve no substantial violation of the Treaty engagements of Great Britain, nor any practical departure from those sound economical principles upon which the undersigned has already expressed his opinion they should be based.

JOHN ROSE,
Minister of Finance.

Ottawa, 3rd September, 1868.

No. 2.

ADDRESS TO THE RIGHT HON. THE SECRETARY OF STATE FOR THE COLONIES,

From the Intercolonial Conference held at Sydney.—Adopted 11th February, 1873.

TO THE RIGHT HONORABLE THE SECRETARY OF STATE FOR THE COLONIES,—

The Representatives of the Colonies of New South Wales, New Zealand, Queensland, South Australia, Tasmania, Victoria, and Western Australia, assembled in Conference in Sydney, have carefully

considered the correspondence which has taken place between the Right Honorable the Secretary of State for the Colonies and their several Governments, upon the subject of Intercolonial Commercial Reciprocity. The Conference having given respectful attention to the arguments used by the Secretary of State, still consider it their duty to urge upon the Imperial Government the removal of the restrictions which preclude two or more Colonies of the Australasian group from entering into arrangements for the admission of articles the growth, produce, or manufacture of any part of Australia or New Zealand, upon terms to which they may mutually agree.

The Conference express their earnest hope that Her Majesty's Government will introduce, at as early a date as possible, the necessary measure of legislation to give effect to the wishes of the Conference.

Signed at Sydney, the 14th day of February, 1873.

HENRY PARKES, Colonial Secretary,	}	New South Wales.
SAUL SAMUEL, Vice-President of the Executive Council,		
JULIUS VOGEL, Colonial Treasurer and Postmaster-General,	}	New Zealand.
WILLIAM H. REYNOLDS, Commissioner of Customs,		
A. H. PALMER, Colonial Secretary,	}	Queensland.
J. MALBON THOMPSON, Secretary for Public Lands,		
HENRY AYERS, Chief Secretary,	}	South Australia.
JOHN H. BARROW, Treasurer,		
FREDK. M. INNES, Colonial Treasurer,	}	Tasmania.
J. M. WILSON, M.L.C., JAS. G. FRANCIS, Chief Secretary,		
EDWARD LANGTON, Treasurer,	}	Victoria.
FRED. P. BARLEE, Colonial Secretary,		

No. 3.

RESOLUTION adopted by the INTERCOLONIAL CONFERENCE, 11th February, 1873.

"THAT the Chairman be requested to move His Excellency Governor Sir Hercules Robinson to transmit a telegraphic message to Lord Kimberley, embodying the unanimous decision of the Conference in reference to Intercolonial Commercial Reciprocity, with the object that no delay may take place in the introduction of Imperial legislation to give effect to the wishes of the Conference."

No. 4.

The Hon. the COLONIAL SECRETARY, New South Wales, to the Hon. J. VOGEL.

SIR,— Sydney, 20th February, 1873.
I have the honor to inform you that the following telegram has been received by His Excellency Sir Hercules Robinson from the Principal Secretary of State for the Colonies, namely:—

" London, 17th February.

" 5.35.—Your telegram of the 14th, Intercolonial Tariffs, will receive early consideration of Her Majesty's Government."

The Hon. Julius Vogel, &c., &c.

I have, &c.,
HENRY PARKES.

No. 5.

Governor DU CANE to Lord KIMBERLEY.

MY LORD,— Government House, Tasmania, 14th June, 1872.

I have the honor to forward to your Lordship a Memorandum addressed to me by the Premier and Colonial Secretary of this Colony, in reference to your Lordship's Circular Despatch of the 19th of April last, on the question of Intercolonial Free Trade and Reciprocity.

My own views on this question, as affecting the interests of this Colony, having been fully stated to your Lordship in previous Despatches, this Memorandum does not appear to me to call for any further remarks.

I have, &c.,
CHARLES DU CANE.

Enclosure in No. 5.

MEMORANDUM for His Excellency the GOVERNOR.

IN returning to the Governor Lord Kimberley's Circular Despatch, under date the 19th April last, Mr. Wilson has the honor to submit the subjoined observations on that paper, as the collective opinion of His Excellency's Advisers.

Lord Kimberley recapitulates "the demands which are now put forward" on the subject of intercolonial reciprocity by the Colonies of New South Wales, Tasmania, South Australia, Victoria, and New Zealand, and remarks, "That these proposition, taken together, go far beyond what was understood by Her Majesty's Government to be the original request, namely, that the Australasian Colonies should be permitted to conclude agreements amongst themselves, securing to each other reciprocal tariff advantages."

It was, no doubt, unavoidable that a Circular Despatch, designed as a reply to the representations of the respective Governments of the Australias and New Zealand, should notice the suggestion that, "in considering the subject, the question should not be confined to that of mere intercolonial arrangements."

But His Excellency's Advisers desire to call attention to the fact that this extended view of the subject is only to be found in the proposals and the Memorandum of the Government of New Zealand.

The Government of Tasmania has never demanded—has never contemplated—the concession of anything beyond the power to conclude intercolonial tariff conventions between the several Colonies of Australia and New Zealand; and Lord Kimberley will have observed from the resolutions adopted by the Melbourne Conferences of 1870 and 1871, that the collective action of the Colonies represented on those occasions was strictly confined to the question of intercolonial reciprocity; and that the Bills passed by the Parliaments of South Australia and Tasmania are specifically entitled "The Intercolonial Free Trade Act," while that passed by the Legislature of New Zealand is entitled "An Act respecting Reciprocity with the Australasian Colonies and New Zealand as to Customs Duties."

The question of Reciprocity Conventions between these Colonies and foreign States may have been theoretically argued in the New Zealand Memorandum, but the actual demands and practical action of the Colonies were limited to reciprocity arrangements amongst themselves.

Again, Lord Kimberley deals with this question of international reciprocity and differential duties throughout the Despatch under consideration on the assumption that these Colonies are committed to a policy of "protection to native industry," and the imposition of duties of Customs for other than mere revenue purposes.

Speaking for the Legislature and Government of Tasmania, His Excellency's Advisers can only repeat the statement contained in Mr. Wilson's Memorandum of the 11th September, 1871: "Our Customs duties are imposed for revenue purposes only;" and, instead of wishing to secure "protection to native industry" by excluding the imports of "any particular country or place," we desire to be enabled to secure the admission of our products and manufactures into the neighbouring Colonies, our best and natural market.

Having entered this protest against what appears to be a misapprehension of the views and motives of the Government and Legislature of Tasmania on these questions, His Excellency's Advisers desire to express their grateful appreciation of the obvious anxiety of Her Majesty's Government to explain as clearly and fully as possible the principles of Imperial policy in exercising the constitutional prerogative of the Crown in the matters of Colonial tariffs; and they gather with satisfaction, from the general tenor of Lord Kimberley's Despatch, that Her Majesty's Government, while anxious to base its decision on this question "upon broad principles of policy," is prepared to reconsider the whole subject of Colonial relations with the Empire as regards tariff arrangements, should the Australasian Colonies, upon further consideration of the matter, persevere in their application for the repeal of the Imperial statutes which prohibit the imposition of differential duties by Provincial Legislatures.

The Government of Tasmania aimed originally, in proposing the Tariff Conference of 1870, at a Customs Union or Colonial Zollverein, embracing the Australias and New Zealand; and such a Customs Union had been promised in advance of the approval and sanction of Her Majesty's Government.

That arrangement having been found to be impracticable at present, this Government endeavoured to secure the concurrence of the other Colonies in a demand for intercolonial reciprocity; and succeeded so far as to obtain the assent to the principle of the Governments represented at that Conference and at the Conference of last year; and to secure the passage of the Intercolonial Free Trade Bills of Tasmania, New Zealand, and South Australia, which now await the signification of Her Majesty's pleasure.

His Excellency's Advisers still desire to urge upon Her Majesty's Government this concession to the Australasian Colonies of the power of concluding reciprocal tariff arrangements amongst themselves; and they entertain a confident belief that their views on this point will be found to be shared by all the Governments to whom Lord Kimberley's despatch is addressed. They believe that a Customs Union is the more desirable arrangement; but, as an alternative, they wish to establish a system of intercolonial reciprocity.

They desire to observe that Lord Kimberley admits the existence of precedents for such arrangements in the cases of the Imperially sanctioned legislation of the provinces of British North America, both previously and subsequently to their confederation in the Dominion of Canada, and of the Murray Border Customs arrangements between New South Wales and Victoria.

They also observe that Lord Kimberley rests the right of the Crown to withhold its assent to Acts of Colonial Legislatures imposing differential duties exclusively upon the express provisions of the "Australian Colonies Government Act," and of the Constitution Acts of New South Wales, Victoria, and Queensland; while his Lordship admits that "a strict literal interpretation of the VIIth Article of

the Zollverein Treaty does not preclude the imposition of differential duties in one British Colony or Possession in favour of the produce of another British Colony or Possession."

It follows that, in requiring the repeal of "so much of the Act or Acts of the Imperial Parliament as may be considered to prohibit" the full exercise of the right of the Australian Colonies to enter into reciprocal tariff arrangements amongst themselves, the Governments represented at the Conferences of 1870 and 1871 made no demand upon the Imperial Legislature inconsistent with the maintenance of Her Majesty's treaty obligations with foreign Powers, and asked for no greater concession than has been already granted to other British Colonial dependencies.

In conclusion, His Excellency's Advisers desire to express their belief that the persistent denial of the temperate and respectful demands of the Australasian Colonies for the free exercise of the powers of self-government in the matter of fiscal legislation, is more calculated to disturb the cordiality of the existing relations of the Colonies to the Mother Country than an alteration of Imperial policy, even to the full extent indicated in the concluding paragraph of Lord Kimberley's Despatch.

At the same time they appreciate the readiness of Her Majesty's Government to allow "friendly discussion" to precede "a final decision," and they believe that the delay involved in "the communication of further observations in explanation of their views," will only tend to make the moderation and reasonableness of the demands of the Australasian Colonies on this head more apparent and better understood.

Colonial Secretary's Office, 13th June, 1872.

J. M. WILSON.

No. 6.

Lord CANTERBURY to Lord KIMBERLEY.

Government Offices, Melbourne, 8th August, 1872.

MY LORD,—

With reference to the correspondence marked in the margin,* and more especially with reference, and in reply, to your Lordship's Despatch (the last of the series) of the 19th April, 1872, I have now the honor to transmit to your Lordship a copy (herein enclosed) of a Memorandum submitted to me by the Chief Secretary, on behalf of his colleagues as well as of himself, which sets forth very fully their views and opinions on the subject of existing impediments to complete freedom of action by the Governments and Legislatures of these Colonies in dealing with intercolonial fiscal questions.

2. And I do not doubt that the views and opinions thus expressed by my Advisers will be, if it should be considered necessary or desirable, again indorsed, as they have been already approved, by the Legislative Assembly.

3. On the other hand, your Lordship will not fail to observe that the claims set forth in the Memorandum, and the arguments by which those claims are supported, refer only to intercolonial, not to international, treaties or arrangements, which latter class of treaties or arrangements (international) are distinctly excluded from the purview of the Memorandum by the second, third, and sixth clauses of it.

4. I should add that the resolution of the Legislative Assembly referred to in the third and again in the seventh (concluding) paragraph of the Memorandum, is to be found in the thirteenth volume of Hansard's Reports, p. 1582, second column. For convenience of reference I enclose a copy of that resolution.

I have, &c.,
CANTERBURY.

Enclosure 1 in No. 6.

MEMORANDUM for His Excellency the GOVERNOR.

HER Majesty's Government for Victoria have had under their consideration a Circular Despatch of the Secretary of State for the Colonies, dated 19th April, 1872, on the subject of Intercolonial Free Trade, and having immediate reference to the resolutions signed by the Delegates of the Australian Colonies at a Conference held in Melbourne on the 27th September, 1871, and also to a Memorandum conveying the views of the New Zealand Government, bearing date the 8th December following.

It is in their opinion matter for regret that the Secretary of State should have dealt in one Despatch with the views not wholly identical, and the demands in many respects dissimilar, which have proceeded from the various Australian Colonies in reference to this subject. From this circumstance it has arisen that the Despatch in question relates mainly to a claim alleged to be advanced on behalf of New Zealand to make commercial treaties with foreign countries without interference on the part of the Imperial Government of Great Britain.

The resolution adopted by the Legislative Assembly of Victoria on the 17th October, 1871, was confined to the assertion of the principle that the Legislature of this Colony should be at liberty to authorize arrangements with other Colonies of the Australian group for the reciprocal admission of their products and manufactures on such terms as may be mutually agreed upon; and that such arrangement should not be prevented either by Imperial legislation or by treaties made by the Imperial Government with foreign Powers. It does not appear from the Despatch of the Secretary of State now under consideration, that any insuperable difficulty exists in the recognition by the Imperial Government of this principle. The Zollverein Treaty was thought to have imposed obligations upon the Imperial Government inconsistent with it, but is now admitted by the Secretary of State to have

* The Earl of Kimberley to Viscount Canterbury, July 13, 1871, Circular; Viscount Canterbury to the Earl of Kimberley, September 8, 1871; Viscount Canterbury to the Earl of Kimberley, October 9, 1871; the Earl of Kimberley to Viscount Canterbury, April 19, 1872, Circular.

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

views on the Despatch of the Secretary of State, dated the 19th of April, submitted for their consideration by the Governor.

The Memorandum will be transmitted by the Governor to the Secretary of State by the next outgoing mail.

Government Offices, Melbourne, 8th August, 1872.

CANTERBURY.

No. 8.

Lord CANTERBURY to Lord KIMBERLEY.

MY LORD,—

Government Offices, Melbourne, 11th September, 1872, 11 a.m.

The Address, of which a copy is herein enclosed, has this moment been placed in my hands; and, in accordance with the desire of the Legislative Council expressed in that Address, I have the honor to transmit to your Lordship copies of certain resolutions adopted by the Legislative Council yesterday evening, on the motion of Mr. O'Shanassy, referring to your Lordship's Despatch (Circular) of the 19th April, and the important questions discussed in that Despatch.

I also enclose a copy of my reply to the Address of the Legislative Council.

I have, &c.,
CANTERBURY.

Enclosure 1 in No. 8.

ADDRESS.

To His Excellency the Right Honorable John Henry Thomas, Viscount Canterbury, of the City of Canterbury, in the County of Kent, and Baron Bottesford, of Bottesford, in the County of Leicester, in the Peerage of the United Kingdom of Great Britain and Ireland, Knight Commander of the Most Honorable Order of the Bath, Governor and Commander-in-Chief in and over the Colony of Victoria, &c., &c., &c.

MAY IT PLEASE YOUR EXCELLENCY,—

We, Her Most Gracious Majesty's most dutiful and loyal subjects, the Members of the Legislative Council of Victoria, in Parliament assembled, transmit to your Excellency a copy of resolutions which have been adopted by the Legislative Council, and request that your Excellency would be pleased to transmit them to the Right Honorable the Secretary of State for the Colonies.

N. H. F. MITCHELL, President.

Enclosure 2 in No. 8.

RESOLUTIONS.

THAT, after mature consideration, this House adopts the following declaratory resolutions:—

- (1.) That the power to make international treaties is an inherent and indispensable right possessed by the supreme authority, the Sovereign of the British Empire, and that this power, in the opinion of this House, has always been exercised with due regard for the interests of all Her Majesty's subjects.
- (2.) This House considers that no advantage that could result from the claim set up on behalf of the Australasian Colonies to make treaties with foreign States would compensate them, politically or commercially, for the risk thereby involved of endangering the connection now happily subsisting between all parts of the Empire.
- (3.) That Colonies of the same group, as those of Australasia, should be enabled, with proper safeguards, to conclude agreements amongst themselves for the regulation of their commerce, subject to such conditions as may be found necessary to preserve intact the authority of the Crown to make treaties binding on all parts of the Empire.
- (4.) That the thanks of this House are due to the Right Honorable the Earl of Kimberley for the consideration which he has shown to Her Majesty's subjects in Australasia, in having afforded them an opportunity of discussing the grave questions raised by his Lordship's Circular Despatches before coming to a final decision upon them.

Enclosure 3 in No. 8.

REPLY of Lord CANTERBURY to Address of Legislative Council.

THE Governor, in ready compliance with the Address of the Legislative Council of the 10th instant, has transmitted to the Secretary of State a copy of the Resolutions referred to in that Address.

Melbourne, 11th September, 1872.

CANTERBURY.

No. 9.

Lord NORMANBY to Lord KIMBERLEY.

MY LORD,—

Government House, Brisbane, 29th August, 1872.

I have the honor to enclose herewith a letter from the Colonial Secretary of Queensland, dated 21st instant, in reply to your Lordship's Circular Despatch of the 19th April last, upon the question of a General Customs Union of the Australian Colonies.

I have, &c.,
NORMANBY.

Enclosure in No. 9.

Mr. PALMER to Lord NORMANBY.

MY LORD,—

Colonial Secretary's Office, Brisbane, 21st August, 1872.

I have the honor to inform your Lordship that the Circular Despatch from the Secretary of State for the Colonies of the 19th April last, upon the question of a General Customs Union of the Australian Colonies, has been submitted for the consideration of the Cabinet; and we are of opinion that a Customs Union at present, and probably for many years to come, would not be to the interests of this Colony, and at any rate should be preceded by a Federal Union of the Colonies interested.

But, although a General Customs Union of the Australian Colonies may not be considered advisable, we are also of opinion that these Colonies should have the power, when it becomes desirable to exercise it, to make reciprocal tariff arrangements with each other.

The Government, however, have not thought this matter of sufficient urgency to induce them to introduce any measure upon the subject during the present Session.

I have, &c.,
A. W. PALMER.

No. 10.

“THE AUSTRALIAN COLONIES DUTIES ACT, 1873,” as passed by the HOUSE OF COMMONS, May 2nd.

AN ACT to amend the Law with respect to CUSTOMS DUTIES in the AUSTRALIAN COLONIES.

WHEREAS it is expedient to amend the law with respect to Customs Duties in the Australian Colonies:

Be it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as “The Australian Colonies Duties Act, 1873.”

2. In this Act the term “Australian Colonies” shall mean the Colonies of New South Wales, Victoria, South Australia, Queensland, Western Australia, and Tasmania.

The term “country” shall mean any country or place except Australian Colonies and the Colony of New Zealand.

3. The Legislature of any one of the Australian Colonies shall, for the purpose of carrying into effect any agreement between any two or more of the said Colonies, or between any one or more of the said Colonies and New Zealand, have full power from time to time to make laws with respect to the remission or imposition of duties upon the importation into such Colony of any article the produce or manufacture of or imported from any other of the said Colonies, or the produce or manufacture of or imported from New Zealand.

Provided always, that for the purpose aforesaid, no new duty shall be imposed upon, and no existing duty shall be remitted as to, the importation into any of the Australian Colonies of any article, the produce or manufacture of any particular country, which shall not be equally imposed upon, or remitted as to, the importation into such Colony of the like article the produce or manufacture of any other country: Provided, further, that no duties shall be levied upon articles imported into any of the Australian Colonies for the supply of Her Majesty's land or sea forces, nor shall any duty be levied or remitted contrary to or at variance with any treaty or treaties for the time being subsisting between Her Majesty and any foreign Power.

By Authority: GEORGE DINSBURY, Government Printer, Wellington.—1873.

[Price 9d.]