

at the same price. On the other hand, colonial wines are known by certain brands. Their quality must be maintained or the trade will be injured. If the new duty is imposed it must be added to the price at which they are sold—a circumstance that is sure to affect their sales, as, indeed, experience has already shown.

(8.) We desire to emphasize the fact that the colonial wine trade is still a small one relatively, although of much importance to the colonies, as giving employment to considerable capital and labour. For many years the industry was stationary, but latterly it has made more progress, as the result of the Colonial and Indian Exhibition in 1886, and of the increased favour with which the excellent qualities of the wines has caused them to be regarded. We hope and believe, if colonial wines are allowed to enter without being burdened with the increased duty, that the trade will develop, as it is capable of very great expansion under favourable conditions. The experience in other branches of colonial trade justifies this statement being made. But if the additional duty is imposed it is feared by those most competent to judge that the existing trade will not be maintained, and certainly cannot be expected to expand.

(9.) There is a growing feeling in all the colonies in favour of closer commercial relations with the Mother-country. It has already found expression in Canada. In three of the Australasian Colonies it certainly is more than a possibility of the near future, and the same remark may be made of other parts of the Empire. By far the largest proportion of the imports of the colonies comes from the Mother-country. This is the consequence of the energetic development of their resources and industries, which we venture to think has deservedly attracted much attention. The more the colonies prosper the greater will their commerce become, and there is no doubt that the expansion of inter-Imperial trade is a subject the importance of which is recognised by Her Majesty's subjects in all parts of the world.

(10.) The additional duties on colonial wines is a small matter, so far as Imperial revenue is concerned, as admittedly, on the basis of the present trade, they would only yield about £20,000 out of the revenue of £420,000 expected to be realised altogether. On the other hand, the question is one of great moment to the colonies. If the increased duties are maintained, it will affect the employment of thousands of persons, jeopardize the future of a promising industry, and certainly cause much disappointment.

(11.) We venture to suggest, therefore, that colonial wines should be exempted from the operation of the additional duties. Such a decision would be received with much gratification, satisfaction, and pleasure in the colonies, and would, we believe, be very popular also in the United Kingdom, as tending to strengthen the bonds which unite the different parts of the Empire—the feeling in favour of which appears to be as strong in the United Kingdom as it is among those of Her Majesty's subjects in the Dominion and in the colonies we have the honour to represent.

(12.) In conclusion, we desire to express our appreciation of the reception Sir Michael Hicks-Beach was good enough to accord to our representations, and, through you, to commend the suggestion we have submitted, as earnestly and as strongly as we can, to the favourable consideration of Her Majesty's Government. We venture also to express the hope that we may have the benefit of your influence and support in the matter, to which the Governments especially concerned attach much importance.

We are, &c.,

STRATHCONA, High Commissioner for Canada.
 JULIAN SALOMONS, Agent-General for New South Wales.
 D. TENNANT, Agent-General for the Cape of Good Hope.
 ANDREW CLARKE, Agent-General for Victoria.
 JOHN A. COCKBURN, Agent-General for South Australia.
 W. P. REEVES, Agent-General for New Zealand.
 WALTER PEACE, Agent-General for Natal.
 E. H. WITTENOOM, Agent-General for Western Australia.
 HORACE TOZER, Agent-General for Queensland.
 P. FYSH, Agent-General for Tasmania.

The Right Hon. Joseph Chamberlain, M.P., Secretary of State for the Colonies.

Enclosure 2 in No. 1.

MY LORD,—

Downing Street, 1st May, 1899.

I am directed by Mr. Secretary Chamberlain to acknowledge the receipt of the letter of the 26th ultimo, signed by your Lordship and by the Agents-General of the Australasian and South African Colonies, representing that the proposed increase in the duties on wines imported into this country will have an injurious effect on the wine industry in the colonies, and suggesting that colonial wines should be exempted from the operation of the additional duties.

Mr. Chamberlain is fully alive to the considerations that you bring before him on behalf of the Governments which you represent, and has the fullest sympathy with any effort for the furtherance of colonial industries, and for the extension of commercial intercourse between the colonies and the Mother-country. But, while he is prepared to forward your letter to the Treasury, for the consideration of the Lords Commissioners, he feels bound to point out to you that there seems much force in the argument that so important a departure from the fiscal policy of this country as the differential duty you suggest would scarcely be justified by the sole object of encouraging a particular industry, which has grown rapidly on the basis of equal duties.

It must not be forgotten, moreover, that the colonies principally affected levy a much higher duty on wine than the increased duty now proposed to be levied in this country, and also, by means of highly protective tariffs, discourage the consumption of British goods.

The High Commissioner for Canada.

I am, &c.,

H. BERTRAM COX.