

(No. 28.)



1871.

T A S M A N I A.

HOUSE OF ASSEMBLY.

INTERCOLONIAL FREE TRADE:

DESPATCHES AND CORRESPONDENCE.

INTERCOLONIAL CONFERENCE:

REPORT AND MINUTES OF PROCEEDINGS.

Laid upon the Table by the Colonial Treasurer, and ordered by the House to be printed, November 8, 1871.



INTERCOLONIAL FREE TRADE.

(Copy Extract.)

No. 26.
Executive.

Government House, Tasmania, 14th July, 1870.

MY LORD,

IN my Despatch of the 15th ultimo I informed your Lordship that, at the suggestion of my Ministers, an Intercolonial Conference of Representatives of the Governments of New South Wales, Tasmania, South Australia, and Victoria was to be held in Melbourne on the 20th ultimo, having for its object (amongst other matters) "to consider and decide upon the advisability of establishing an Australian Customs Union on the basis of a common Tariff and a free interchange of products and commodities."

2. In that Despatch I enclosed copies of the Commission under the Public Seal of the Colony appointing the Honorable Mr. Wilson, Colonial Secretary, and the Honorable Mr. Chapman, Colonial Treasurer, to be the Representatives of my Government at the Conference, and of my instructions to those gentlemen as such Representatives.

3. I have now the honor to acquaint your Lordship that the Conference has been held in Melbourne; and I append a printed copy of its Report, Minutes, and Resolutions, supplemented by Correspondence, Returns, Tabulated Statements, and Memoranda by individual Representatives, bearing upon the various subjects considered during its sitting.

4. From the Report your Lordship will perceive that it was found impossible to bring the Government of New South Wales and Victoria to an agreement on the details of a common Tariff. New South Wales stipulated for Free Trade principles, while Victoria declined to relinquish her existing Tariff, "which favours discriminating duties," or, in other words, is one of a decidedly protective character. An unanimous decision, therefore, affirming the expediency of establishing a Customs Union comprising all the adjacent Australian Colonies, and providing for the "importation of goods from Colony to Colony, for an equitable division of the Customs Duties, and for a uniform Tariff as between Australia and other Countries or places," as suggested in the Duke of Buckingham's Despatch of January 7, 1868, to the Governor of New South Wales, could not under the circumstances be arrived at, though the Governments represented at the Conference were unanimously in favour of a Commercial Federation on the basis of His Grace's suggestion.

5. But your Lordship will observe that by far the most important Resolution unanimously arrived at by the Conference is the one which asserts the rights of the Australian Colonies to "enter into arrangements with each other for the reciprocal admission of their respective products and manufactures duty free, on such terms as may be mutually agreed upon;" and which requires the repeal of so much of the "Act for the better Government of the Australian Colonies" as forbids the enactment by any Colonial Legislature of a Tariff imposing Differential Duties. (Resolution I, page 5.)

6. New Zealand and Queensland, though not represented at the Conference, have already promised their adhesion to the principles enunciated in the Resolution, as will appear from Mr. Gisborne's letters to my Government, at pages 13 and 69; and from a Memorandum agreed to in January last by the Government of Queensland in concert with those of New South Wales and New Zealand, at page 47 of the Conference Papers herewith.

7. My Ministers have undertaken to prepare a Draft Measure for submission to the several Australian Governments to give effect to this Resolution; and it seems next to a certainty that

identical, if not simultaneous, legislative action in this direction will be taken by the four Colonies represented at the Conference, as well as by New Zealand and Queensland.

8. I have the assurance of my Ministers that the tone of the Conference on all questions affecting the present or prospective relations of the Mother Country and the Colonies was that of loyalty to the Crown, and anxiety for the maintenance of the Imperial connection.

9. I am given to understand that this was specially apparent in the discussions which preceded the adoption of the Resolutions, pages 5 and 6, respecting the withdrawal of the Troops, and the future provision by Her Majesty's Government for the Naval protection of the Australian Coast Line and the extensive British Commerce in Australian Waters.

10. Your Lordship will observe that the Resolution adopted by the Conference does not seek to transfer to any single Colony or group of Colonies the Imperial Prerogative of concluding Treaty engagements with Foreign Powers. It only aims at the removal of the veto on Differential Duties as between the Colonies, and claims for their Legislatures and Governments the right to enter into arrangements in the nature of reciprocity conventions amongst themselves. A principle very similar to this has, I apprehend, been recognised by Her Majesty's Government, and acted upon, in the case of the British North American Provinces before their confederation in a single Dominion, as well as in the case of the legalised remissions of Customs Duties on goods entering Victoria and New South Wales across the Murray Border.

11. * * * There is no doubt that the present system operates injuriously in many ways to the producing, industrial, and commercial interests of Tasmania; and the Colonists, as I have gathered from opinions I have heard pretty generally expressed, find it difficult to understand how Imperial interests or Imperial obligations can be affected by Intercolonial arrangements that would allow the admission duty free into the Continental Colonies of Tasmanian timber, grain, hops, malt, beer, or preserves, in return for the similar admission into Tasmania of the wines, spirits, sugar, woollens, and other manufactures of the Continental Colonies. In thus forwarding that which will probably be the earliest information your Lordship will receive respecting the proceedings of the Conference, I feel it to be my further duty to invite beforehand your Lordship's favourable consideration towards the application for these powers which will for certain be embodied in an Act of the Legislature in the approaching Session.

12. It only remains for me to add, that the Conference agreed to Resolutions on several other matters of common Australian concern, some of which will furnish subjects for separate Despatches, all of which are subjects of importance affecting the material prosperity and the social well-being of the whole group of Colonies.

13. I cannot regard otherwise than with feelings of satisfaction the fact that the idea of this Conference, which in all probability will lead to great and important results, and which undeniably has promoted a useful interchange of ideas between the official Representatives of the principal Australian Colonies, emanated in the first instance from my Responsible Advisers, and was brought about by their energy and perseverance.

I have, &c.,

(Signed) CHARLES DU CANE.

The Right Hon. the EARL GRANVILLE K.G.

*Tasmania,
Colonial Secretary's Office, 17th August, 1870.*

SIR,

1. HEREWITH I have the honor to enclose you "A Bill to make better provision for the Interchange of Colonial Products and Manufactures between the Colonies of Australasia."

2. This Bill has been drafted for introduction into the Legislature of this Colony, with a view to giving effect to the Resolution on the subject of Intercolonial Reciprocity unanimously passed by the late Conference in Melbourne; and it is now submitted to the Government of New South Wales, in accordance with the undertaking given to the Conference by the representatives of the Government of Tasmania.

3. It will be seen that the Bill is almost identical with the "Intercolonial Free Trade Bill" of the Parliament of Tasmania which was disallowed by Her Majesty on the advice of the Duke of Buckingham and Chandos.

4. The present draft, however, differs from the disallowed Bill in this particular, that no Schedule of dutiable articles is appended to it.

5. It was thought desirable to render the measure as simple as possible consistently with a clear appropriation to the Governor in Council of power to enter into such arrangements with the Governors of other Australasian Colonies, or with any of them, as would "allow of the reciprocal admission of their respective products and manufactures, duty free, on such terms as may be mutually agreed upon."

6. With this view the only condition attached to the exercise of this power is one requiring that such arrangements shall be based upon absolute reciprocity.

7. For obvious fiscal considerations Spirits and Tobacco are excepted from inclusion in any such reciprocal arrangement.

8. I entertain no doubt whatever that the Bill, of which I transmit you a copy—or a very similar measure—will be passed by the Parliament of Tasmania in its next Session, which will open on the 23rd instant; and I trust that your Government will take an early opportunity of inviting the Parliament of New South Wales to assent to a similar enactment.

9. There is the more occasion for promptitude in this matter inasmuch as the legislation now contemplated must be accomplished in the case of New South Wales and Victoria by an amendment of their Constitution Acts, which can only be effected by Bills passed by two-thirds majorities of both Houses of Parliament in either Colony, and reserved for the signification of Her Majesty's pleasure; while in the cases of South Australia, Queensland, New Zealand, and Tasmania, besides the delay incidental to a similar reservation, it may be necessary, if I am rightly informed, that an Act of the Imperial Parliament should be passed empowering Her Majesty to assent to legislation in excess of the powers conferred upon Colonial Legislatures by the "Act for the better Government of the Australian Colonies," (13th & 14th Victoria, cap. 59, Section 27.)

10. The Government of Tasmania has observed with extreme satisfaction that the Parliament of South Australia has already adopted a Petition to the Queen praying for the removal of all Imperial restrictions on the free interchange of products and manufactures between the Colonies.

11. I trust that the frank concurrence of the representatives of New South Wales in the Reciprocity Resolution of the Conference may be taken as an earnest of the sincere anxiety of your Government to give practical effect to it by prompt legislative action.

12. The concurrent legislation of the Australasian Colonies in the direction of Intercolonial Reciprocity will prove the most effectual method of impressing upon Her Majesty's Government the expediency of abandoning the restrictions heretofore imposed by Imperial Statutes upon the free fiscal action of Her Majesty's self-governing Dependencies.

I have, &c.,

(Signed) JAMES MILNE WILSON.

The Hon. the Colonial Secretary, New South Wales.

[Similar to Victoria.]

Tasmania,
Colonial Secretary's Office, 17th August, 1870.

SIR,

(PARAGRAPHS 1 to 10 inclusive identical with Victoria and New South Wales.)

11. I entertain no doubt that your Government is prepared to adopt prompt measures of legislation to give effect to the Resolution of the Conference, and to follow up the action already taken by the Parliament of South Australia.

The concurrent legislation of the Australasian Colonies in the direction of Intercolonial Reciprocity will effectually support the Petition of the South Australian Parliament, and serve to convince Her Majesty's Government of the inexpediency of insisting on those restrictions, which the Imperial Legislature in deference to Imperial Treaty obligations now impose on the free fiscal action of Her Majesty's self-governing Dependencies.

I have, &c.,

(Signed) JAMES MILNE WILSON.

The Hon. the Chief Secretary, South Australia.

Tasmania,
Colonial Secretary's Office, 17th August, 1870.

SIR,

(PARAGRAPHS 1 to 10 inclusive identical with Victoria and New South Wales.)

11. In your last communication on the subject of the proposed Intercolonial Free Trade Conference to be held in Melbourne, under date the 28th March last, while declining to assent to the suggestion of an Australian Commercial Federation on the basis of a Common Tariff, you intimated that the New Zealand Government "would be prepared to recommend the New Zealand Legislature to join those of the neighbouring Colonies in asking for power, and if necessary in insisting on obtaining it, to make reciprocal Tariff arrangements with other Colonies and Countries."

12. The Resolution of the Conference, which the Bill now submitted to you is designed to effectuate, deals only with the question of commercial reciprocity as between the Colonies. It was thought undesirable to complicate that question by mixing it up with the larger question of Reciprocity Conventions as between the Colonies and Foreign Countries irrespectively of Imperial Treaties.

13. I venture to hope that the New Zealand Government will not refuse to co-operate with the Governments represented at the Conference, to the extent indicated by the tenor of the Draft Bill enclosed herewith.

14. The demand for "power to enter into reciprocal Tariff arrangements with other Colonies" would naturally pave the way for the concession of the larger power of Treaty with Foreign States; and you will probably agree with me that the concurrent legislation of the Australasian Colonies in the direction of Intercolonial Reciprocity would constitute the most effective practical protest against existing Imperial prohibitions of Differential Duties, and would forcibly impress Her Majesty's Government with a sense of the necessity for relaxing the restrictions which the British Legislature, in deference to Treaty obligations, has hitherto imposed upon the free fiscal action of Her Majesty's self-governing Dependencies.

I have, &c.,

(Signed) JAMES MILNE WILSON.

The Hon. the Colonial Secretary, New Zealand.

Tasmania,
Colonial Secretary's Office, 17th August, 1870.

SIR,

HEREWITH I do myself the honor to transmit you a copy of the Report of the Intercolonial Conference held in Melbourne in the months of June and July of this year, together with a Draft "Bill to make better provision for the Interchange of Colonial Products and Manufactures between the Colonies of Australasia."

This Bill has been drafted for introduction into the Legislature of this Colony with a view to giving effect to the Resolution on the subject of Intercolonial Reciprocity agreed to by the Conference; and it is now submitted to the Government of Queensland in accordance with an undertaking to that effect given to the Conference by the representatives of the Government of Tasmania.

It will be seen that the Bill is almost identical with the "Intercolonial Free Trade Bill" of the Parliament of Tasmania which was disallowed by Her Majesty on the advice of the Duke of Buckingham and Chandos.

The present Draft, however, differs from the disallowed Bill in this particular, that no Schedule of dutiable articles is appended to it.

It was thought desirable to render the measure as simple as possible consistently with a clear appropriation to the Governor in Council of power to enter into such arrangements with the Governors of other Australasian Colonies, or with any of them, as would "allow of the reciprocal admission of their respective products and manufactures, duty free, on such terms as may be mutually agreed upon."

With this view the only condition attached to the exercise of this power is one requiring that such arrangements shall be based upon absolute reciprocity.

For obvious fiscal considerations Spirits and Tobacco are excepted from inclusion in any such reciprocal arrangements.

I entertain no doubt whatever that the Bill, of which I transmit you a copy—or a very similar measure—will be passed by the Parliament of Tasmania in its next Session, which will open on the 23rd instant; and I trust that your Government will take an early opportunity of inviting the Parliament of Queensland to assent to a similar enactment.

There is the more occasion for promptitude in this matter inasmuch as the legislation now contemplated must be accomplished in the case of New South Wales and Victoria by an amendment of their Constitution Acts, which can only be effected by Bills passed by two-thirds majorities of both Houses of Parliament in either Colony, and reserved for the signification of Her Majesty's pleasure; while in the cases of Queensland, South Australia, New Zealand, and Tasmania, besides the delay incidental to a similar reservation, it may be necessary, if I am rightly informed, that an Act of the Imperial Parliament should be passed empowering Her Majesty to assent to legislation in excess of the powers conferred upon Colonial Legislatures by the "Act for the better Government of the Australian Colonies," (13th & 14th Vict., cap. 59, Section 27.)

The Government of Tasmania has observed with extreme satisfaction that the Parliament of South Australia has already adopted a Petition to the Queen praying for the removal of all Imperial restrictions on the free interchange of products and manufactures between the Colonies.

In response to Mr. Stafford's suggestion on the part of the New Zealand Government in 1868, that a Conference of Delegates should be held in Sydney for the purpose of considering the Commercial relations of the Australasian Colonies with each other and with Foreign States as affected by Imperial Treaty obligations, the Government of Queensland was prepared to discuss—and I assume to acquiesce in—a proposal for "the free interchange of products with New Zealand and the Australian Colonies respectively."

And I observe by a "Memorandum agreed to between the Governments of New South Wales, New Zealand, and Queensland," dated in Sydney, 6th January, 1870, that Mr. Lilley, on behalf of the Government of Queensland, consented "to address an earnest representation to the Secretary of State for the Colonies respecting the disadvantage 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."

I trust I shall not err in accepting these recorded intentions and opinions of the Government of Queensland as an earnest of its readiness to acquiesce in the Resolution agreed to by the Conference on the subject of Intercolonial Reciprocity, and to assist in giving practical effect to it by prompt legislative action.

I think you will agree with me that the concurrent legislation in this direction of the Australasian Colonies will effectually support the "earnest representations" on the same subject of the Governments of New South Wales, New Zealand, and Queensland, and serve to impress Her Majesty's Government with a sense of the expediency of relaxing those restrictions which Imperial legislation has imposed on the free fiscal action of Her Majesty's self-governing Dependencies.

I have, &c.,

(Signed) JAMES MILNE WILSON.

The Hon. the Colonial Secretary, Queensland.

*South Australia,
Chief Secretary's Office, Adelaide, 30th August, 1870.*

SIR,

I HAVE the honor, by desire of His Excellency Sir James Fergusson, to acknowledge the receipt of your letter of the 17th instant, forwarding Draft of a Bill to "make better provision for the Interchange of Colonial Products and Manufactures between the Colonies of Australia," introduced into the Tasmanian Legislature with a view to give effect to the Resolution of the late Conference on the subject of Intercolonial Reciprocity.

In reply I am to inform you that Addresses to Her Majesty on the subject are now before Committees of both Houses of the South Australian Parliament; and that the question of further legislative action is now under the consideration of the Law Officers, to whom the Draft Bill enclosed in your letter has been referred. I shall have the honor of acquainting you further of the steps taken by this Government in the matter.

I have, &c.,

(Signed) WILLIAM MILNE.

The Hon. the Colonial Secretary, Tasmania.

New Zealand,
Colonial Secretary's Office, Wellington, 1st September, 1870.

SIR,

I HAVE the honor to acknowledge the receipt of your letter, No. D. 39, of the 16th ultimo, and to thank you for the Intercolonial Free Trade Bill, and the Report and Minutes of the Proceedings of the Intercolonial Conference held in Melbourne in June and July, 1870, forwarded therewith.

See APPEN-
DIX A.

I transmit for your information a copy of a similar Bill which has just been passed by the New Zealand Legislature.

I have, &c.,
(Signed) W. GISBORNE.

The Hon. the Colonial Secretary, Tasmania.

Queensland,
Colonial Secretary's Office, Brisbane, 1st October, 1870.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of August last, (D. 39) with reference to the Report transmitted therewith of the Intercolonial Conference held in Melbourne in the months of June and July of the present year, together with a Draft "Bill to make better provision for the Interchange of Colonial Products and Manufactures between the Colonies of Australia."

You intimate that no doubt was entertained that this or a very similar Bill would be passed by the Parliament of Tasmania in its next Session, and you express a hope that this Government would take an early opportunity of inviting the Parliament of Queensland to assent to a similar enactment.

This we are not prepared to do, as we are of opinion that such a measure would not be suitable to this Colony at present; nor can it be assumed that "the Queensland Government virtually acquiesced in a proposal for the free interchange of products with New Zealand and the Australian Colonies," because they suggested that this was one of the questions suitable for discussion at the Conference proposed to be held in Sydney in response to Mr. Stafford's proposal on the part of the New Zealand Government in 1868, in which, however, Queensland took no further part.

I observe by an announcement in the public papers that a new Tariff has been recently adopted by your Government, which came into operation on the 15th ultimo, imposing heavy duties on Sheep and Cattle imported, with other articles hitherto exempt in Tasmania, and still exempt in all the other Australian Colonies.

This is hardly consistent with an Intercolonial Free Trade, which it is the object of the proposed Bill to encourage.

Although this Government feel that it is not expedient to adopt your proposal at present, they are still prepared to adhere to the principle that it is desirable that the restriction hitherto imposed by Imperial legislation on Intercolonial Free Trade should be removed, and that these Colonies should have the power, when it becomes desirable to exercise it, to make reciprocal Tariff arrangements with each other and with other countries: this power should, however, be defined by legislative enactment, and as little as possible left for executive action.

I have, &c.,
(Signed) A. H. PALMER.

The Hon. the Colonial Secretary, Tasmania.

Tasmania,
Colonial Secretary's Office, 19th October, 1870.

SIR,

See APPEN-
DIX B.

I HAVE the honor to transmit herewith for your information a copy of "The Intercolonial Free Trade Act," which has just been passed by the Parliament of Tasmania, but reserved for the signification of Her Majesty's pleasure.

I have, &c.,
(Signed) JAMES MILNE WILSON.

The Hon. the Chief Secretary, Victoria.

[Similar to Colonial Secretary, New South Wales, and Chief Secretary, South Australia.]

Tasmania,
Colonial Secretary's Office, 19th October, 1870.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 1st ultimo, transmitting for my information copy of "An Act respecting Reciprocity with the Australasian Colonies and Tasmania as to Customs Duties," which had been passed by the New Zealand Legislature.

I enclose herewith copy of a similar measure, "The Intercolonial Free Trade Act," which has been passed by the Parliament of this Colony, but reserved for the signification of Her Majesty's pleasure.

I have, &c.,

(Signed) JAMES MILNE WILSON.

The Hon. the Colonial Secretary, New Zealand.

*EXTRACT from Despatch, No. 48, of October 27th, 1870, (Executive), to the Right Honorable the
EARL OF KIMBERLEY.*

BILL, No. 43. "A Bill to make better provision for the Interchange of Colonial Products and Manufactures between the Colonies of Australasia."

In my Despatch to Lord Granville, dated July 14th, 1870, enclosing the report of the proceedings of the Melbourne Conference, I called attention to the Resolution unanimously arrived at by the Conference, "asserting the rights of the Australian Colonies to enter into arrangements with each other for the reciprocal admission of their respective products and manufactures, duty free, on such terms as may be mutually agreed upon." I further stated that my Ministers had undertaken to prepare a draft measure for submission to the several Australian Governments to give effect to this Resolution; and that there was a strong probability of identical legislative action in this direction being taken by the four Colonies represented at the Conference; as well as by New Zealand and Queensland.

This Bill is the measure to which I thus alluded, and empowers the Governor of this Colony to enter into arrangements with the Governors of the adjoining Colonies for the reciprocal admission of all articles the growth and produce of the Colonies, with the exception of Spirits and Tobacco, free of duty. My Advisers have received official information that the Legislatures of New Zealand and South Australia have concurrently adopted similar legislation; and that there is reason to believe that other Australian Colonies, whose Parliaments are now or will shortly be in Session, are likely to legislate in the same direction.

There is no doubt whatever that the power to enter into reciprocal arrangements of this kind with adjoining Colonies would confer a very great boon upon Tasmania by tending to develop its Timber Trade, and encourage other important branches of industry.

I quite admit that it would be a preferable proceeding for two or more Colonies to enter into a complete Customs Union, as suggested in your Lordship's Circular Despatch of the 15th July, 1870. But although this Colony has demonstrated its anxiety to bring about a Customs Union of this kind by initiating, as it did through my Responsible Advisers, the recent Intercolonial Conference at Melbourne with a view to that final object, local jealousies and diversities of views as to the incidence of taxation have rendered abortive all attempts to accomplish it. It appears to me, however, that the concession of the power to enter into reciprocal engagements will pave the way towards ultimate complete union. Friendly commercial and financial relations will, at all events, be initiated between such of the Colonies as may avail themselves of the permission to enter into these engagements, local jealousies now in force will gradually lose their influence, and the advantages of complete union become better understood and appreciated.

Under these circumstances I would suggest to your Lordship that Her Majesty's decision with respect to this Bill should be postponed pending the expression, either by legislation or by petition to the Crown, of the opinions entertained on the question by the majority of the other Australian Colonies. I apprehend at all events, as the Attorney-General has pointed out in his Report, that it will be necessary for the restrictions imposed by the 27th, and possibly also the 31st, Sections of the Act 13 & 14 Victoria, cap. 59, to be modified by Imperial Legislation before the Royal Assent can be given.

(Signed) CHARLES DU CANE.

*South Australia,
Chief Secretary's Office, Adelaide, 3rd November, 1870.*

SIR,

I AM directed by the Honourable the Chief Secretary to convey to you the thanks of this Government for copy of "The Intercolonial Free Trade Act," transmitted with your letter of date 19th ultimo.

I have, &c.,

(Signed) J. BOOTHBY, *Under Secretary.*

The Hon. the Colonial Secretary, Tasmania.

Sydney, 8th November, 1870.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 19th ultimo, transmitting a copy of "The Intercolonial Free Trade Act," which has been passed by the Parliament of Tasmania, but reserved for the signification of Her Majesty's pleasure, and to express my thanks for the same.

I have, &c.,

*For the Colonial Secretary,
(Signed) HENRY HALLORAN.*

The Hon. the Colonial Secretary, Tasmania.

Colonial Secretary's Office, Wellington, 11th November, 1870.

SIR,

I HAVE the honor to acknowledge the receipt of your letter, No. D 39, of the 19th ultimo, forwarding a copy of "The Tasmanian Intercolonial Free Trade Act, 1870," for which I have to thank you.

I have, &c.,

(Signed) W. GISBORNE.

The Hon. the Colonial Secretary, Tasmania.

Colonial Secretary's Office, 29th October, 1870.

MEMORANDUM.

MR. WILSON has the honor to return to His Excellency Lord Kimberley's Despatch, under date 3rd September last, acknowledging the receipt of various documents relative to the late Intercolonial Conference, together with His Lordship's Circular Despatch of the 15th July last, conveying the views of Her Majesty's Government on the subject of Intercolonial Free Trade and Customs Union between the Australian Colonies.

During its last Session the Legislature of this Colony has passed "An Act to make better provision for the interchange of Colonial products and manufactures between the Colonies of Australasia," (copy of which is attached to this Memorandum), which empowers the Governor in Council to make arrangements with the Governments of the Colonies of New South Wales, Victoria, South Australia, Queensland, and New Zealand for the interchange of their respective products and manufactures duty free on certain conditions. This Act was reserved by His Excellency at the close of the late Session of Parliament for the signification of Her Majesty's pleasure thereon. The Attorney-General's Report on this Act has been submitted to His Excellency.

The Governor's Advisers are officially informed that the Legislatures of New Zealand and South Australia have concurrently adopted similar legislation; and have also reason to believe that other Australian Colonies, whose Parliaments are now or will shortly be in Session, are likely to legislate in the same direction.

Under these circumstances Mr. Wilson would suggest to His Excellency that Her Majesty's Government should be advised to refrain from any decision upon the Tasmanian "Intercolonial Free Trade Act" of last Session, pending the expression, by legislation or petition, of the opinions entertained on this question by the majority of the other Australian Colonies.

The present movement largely concerns the whole Australian group of Colonies, and should be dealt with on a broad general principle.

It may also be urged that this Colony has demonstrated its anxiety to bring about a Customs Union by the initiation of the recent Intercolonial Conference proposed by His Excellency's Ministers with that special object, and that the action sanctioned by the measure under consideration was only taken when insuperable obstacles were found to stand in the way of its immediate accomplishment.

The proposal to allow these Colonies to enter into reciprocal Tariff arrangements, irrespectively of the duties on imports from the United Kingdom and Foreign Countries, may be fairly considered as merely preliminary to the eventual adoption—when present difficulties shall have yielded to time and more enlightened views—of such a Customs Union as contemplated by Lord Kimberley's Circular Despatch.

Her Majesty's Government might also be moved to bear in mind that the principle embodied in this Act of the Tasmanian Legislature has practically received the assent of the Governments and Parliaments of the Australian Colonies and of New Zealand, and that any decisive action in regard to this Act must determine, one way or the other, a question in which all these Colonies entertain very strong views that are likely to be intensified by contradiction.

(Signed) JAMES MILNE WILSON.

His Excellency the Governor.

TASMANIA.
No. 23.

Downing-street, 3rd September, 1870.

SIR,

I HAVE to acknowledge the receipt of your Despatch, No. 21, of 15th June, forwarding various documents relative to the Intercolonial Conference to be held at Melbourne.

I have, &c.,
(Signed) KIMBERLEY.

Governor DU CANE.

(CIRCULAR.)

Downing-street, 15th July, 1870.

SIR,

I THINK it important to ensure that the Governors of the Australian Colonies should not misunderstand the views of Her Majesty's Government with regard to Intercolonial Free Trade.

The different Colonies of Australia are at present, in respect of their Customs Duties, in the position of separate and independent Countries. So long as they remain in that relation a law which authorised the importation of Goods from one Colony into another on any other terms than those applicable to the imports from any Foreign Country, would be open, in the view of Her Majesty's Government, to the objection of principle which attaches to Differential Duties.

But Her Majesty's Government would not object to the establishment of a complete Customs Union between the Australian Colonies, whether embracing two or more contiguous Colonies, or (which would be preferable) the whole Australian Continent with its adjacent Islands. If any negotiations should be set on foot with this object, you are at liberty to give them your cordial support.

I have, &c.,
(Signed) KIMBERLEY.

The Officer Administering the Government of Tasmania.

MEMORANDUM.

THE late Intercolonial Conference, the object of which was the establishment of Free Trade and a Customs Union between all the Australian Colonies, having originated in proposals made by His Excellency's Advisers to the Continental and New Zealand Governments, Mr. Wilson feels that no apology need be offered for recalling the Governor's attention to a subject of such large general importance, and possessing such special interest for the Colony of Tasmania.

In a recent speech by Mr. Francis, the Treasurer of Victoria, addressed to his constituents at Richmond, that gentleman is reported to have said, that "it is the intention of the (Victorian) Government, so soon as the House shall meet, to select from its midst, or from the community generally, gentlemen who shall make a proposition to the neighbouring Colonies that we should see if we could not, in fact, accept one identical Tariff, with the view of having free trade throughout Australia;" and Mr. Francis goes on to say that, "looking ahead, he does not despair of achieving a Customs Union."

The principal objections to the reception of the proposals made by His Excellency's Ministers at the late Conference for the adoption of a common Tariff and Customs Union having emanated from the Representatives of the Victorian Government, the enunciation by Mr. Francis of these

views seems to indicate an early resumption of the discussion, in another Conference, of this large and interesting question, when it may be reasonably anticipated that several, if not perhaps all, of the Australian Colonies will be found willing to concur in a practical measure of Commercial Union.

In their combined action in this direction these Colonies are entitled to count upon the sanction and acquiescence of the Imperial Authorities; since Lord Kimberley, in a Circular Despatch under date the 15th July, 1870, expressly declares that "Her Majesty's Government would not object to the establishment of a complete Customs Union between the Australian Colonies, whether embracing two or more contiguous Colonies, or (which would be preferable) the whole Australian Continent with its adjacent Islands."

His Excellency will not have forgotten that during the last Session of Parliament Ministers, being unable to secure the acquiescence of the adjoining Colonies in their proposals for a Customs Union, proposed, and carried through the Legislature, a measure, entitled "The Intercolonial Free Trade Bill," which empowers the Governor in Council to make arrangements with the Governments of the Continental Colonies and of New Zealand for the reciprocal interchange of their respective products duty free on certain conditions. A similar Bill was passed by the Legislature of New Zealand last year. Both these Bills were necessarily reserved for the signification of Her Majesty's pleasure thereon. A similar Bill received the sanction of both branches of the South Australian Parliament last year, and only missed positive enactment owing to the unfortunate occurrence of a question of privilege between the two Houses.

This concurrent action of the Legislatures of New Zealand, South Australia, and Tasmania suffices to indicate the anxiety of those Colonies generally to revise and harmonize their Tariff relations with each other on the basis of reciprocity, failing the realization of the larger project of a Customs Union. But, in the case of New Zealand, "The Colonial Reciprocity Act, 1870," must be regarded as an announcement of the indisposition of that Colony to accept an identical Australian Tariff,—the object of the late Conference, and of that which the Victorian Treasurer foreshadows,—or to admit the principle of "a complete Customs Union," as suggested in Lord Kimberley's Circular Despatch already quoted.

There are, in fact, obstacles in the way of the attainment of that project which are likely, it may be feared, for some time to come, to prove insurmountable.

A Customs Union with two or more Continental Colonies and Tasmania might, not improbably, not prove so difficult of achievement. A complete Customs Union of the Continental and adjacent Colonies may not be realized, however theoretically advantageous and desirable, for many years to come.

But there seems no reason to believe that those Colonies which stood aloof from such an Union would not be willing, as there is no sufficient reason why they should not be at liberty, to enter into reciprocal Tariff arrangements with their neighbours, irrespectively of the duties on imports from the United Kingdom and Foreign Countries.

And it is to this branch of this large subject that Mr. Wilson, with his Colleagues, now desires to direct the Governor's attention, with a view of offering a practical suggestion for the consideration of Her Majesty's Government.

In view of the recent action of some, and the obvious predisposition of all the Australian Colonies to re-arrange their Tariff relations with each other, irrespectively of their relations with "other Countries or places," the time would seem to have arrived when the Imperial Parliament might opportunely intervene with an enabling measure that would provide for in advance, and so facilitate and help forward, Colonial legislation in the direction indicated.

There is the more need for promptitude on this matter, inasmuch as the legislation in question involves, in the cases of New South Wales and Victoria, an amendment of their respective Constitutional Acts, which can only be effected by Bills passed by two-thirds majorities of both Houses of Parliament in either Colony, and reserved for the signification of Her Majesty's pleasure; while, in the cases of South Australia, Queensland, and Tasmania, it would be necessary that an Act of the Imperial Parliament should be passed enabling Her Majesty to assent to legislation in excess of the powers conferred upon Colonial Parliaments by the 13th & 14th Victoria, cap. 59, sec. 27.

An Act of the Imperial Parliament enabling Her Majesty to assent to Acts of the Australian and New Zealand Legislatures for the revision or re-arrangement of their duties on Imports,—whether in the direction of an identical Tariff, Customs Union, or Reciprocity Conventions with each other,—irrespectively of the restrictions imposed by existing Imperial Statutes, would constitute an unmistakable indication of Imperial anxiety to promote Colonial interests, while it would obviate the delay that must otherwise necessarily impede the consummation of the wishes, on this point, of the Australian Communities.

With such Imperial legislation to encourage and facilitate Australian Commercial Union, these Colonies might reasonably look forward to an early achievement of the important objects aimed at by the Conference of last year, and to the eventual establishment throughout the Australias of the complete Customs Union suggested by Lord Kimberley.

Freed from the irritating restrictions now imposed on their fiscal legislation by Imperial Statutes, the Australias would be at liberty to arrange their Tariffs, and regulate their commercial intercourse with each other and the world at large; the last remaining ground of difference with the Imperial Government would be removed; and if hereafter their commercial prosperity fell short of what might be expected from their national enterprise and geographical position, the failure might possibly be traced to unwise or unscientific fiscal legislation, but could never be imputed to the jealousy or the interference of the Mother Country.

Mr. Wilson would, therefore, suggest to His Excellency that Her Majesty's Government might now be opportunely and legitimately moved to propose to the Imperial Parliament such an enabling measure as would meet the actual recent Tariff legislation of New Zealand and Tasmania,—now awaiting the signification of Her Majesty's pleasure thereon,—and provide beforehand for the contemplated legislation on cognate questions of the Australian Colonies generally.

The Governor's Advisers would be glad to believe that His Excellency felt justified in recommending Her Majesty's Government to initiate the Imperial legislation suggested in this Memorandum. Perhaps no readier method could be indicated by which the British Government could so effectually and so cheaply conciliate the confidence of the Australian Community, and secure a permanently cordial understanding between the Mother Country and these distant but loyal and attached dependencies of the Crown.

J. M. WILSON.

His Excellency the Governor.

Colonial Secretary's Office, 23rd March, 1871.

(No. 13.)

Government House, Tasmania, 24th March, 1871.

MY LORD,

I HAVE the honor to forward to your Lordship a Memorandum addressed to me by Mr. Wilson, the Colonial Secretary of this Colony.

2. This Memorandum deals at some length both with the general question of a complete Customs Union of two or more of the Australian Colonies, and also with the especial object sought to be obtained by the "Reciprocity Act, No. 43," passed in the last Session of the Parliament of this Colony, and reserved by me for the signification of Her Majesty's pleasure thereon.

3. By that Act, as your Lordship will remember, this Colony sought to obtain power to enter into reciprocal engagements with the other Australian and New Zealand Colonies for the admission of articles of Colonial growth and produce duty free, save in the case of Spirits and Tobacco. A similar Bill was also passed by the Legislature of New Zealand; and only missed being enacted in the South Australian Parliament through a question of Privilege being raised between the two Houses.

4. Mr. Wilson now suggests that an enabling measure should be passed by the Imperial Parliament which should give powers to this group of Colonies to enter into reciprocal engagements of this kind, and thus facilitate and help forward the progress of Colonial legislation in this direction.

5. Having already in my Despatch to Lord Granville, of the 14th of July, 1870; and that to your Lordship of the 27th of October, 1870, expressed my views very fully both upon the general question of Intercolonial Free Trade, and the powers sought to be obtained by the "Reciprocity Act" of last Session, I feel it to be unnecessary to recapitulate them on the present occasion.

6. I recommend Mr. Wilson's suggestions to your Lordship's favorable consideration; and I must express my concurrence in his view, that the concession to these Colonies of powers of this kind would tend to the ultimate establishment of a complete Customs Union, and to strengthen at the same time the cordiality of their relations with the Mother Country.

I have the honor to be,

My Lord,

Your Lordship's most obedient humble Servant,

CHARLES DU CANE.

The Right Hon. the EARL OF KIMBERLEY.

Tasmania,
Colonial Secretary's Office, 14th June, 1871.

SIR,

HEREWITH I have the honor to transmit to you printed copies of "The Intercolonial Free Trade Act" of the Parliament of Tasmania, and of "The Colonial Reciprocity Act, 1870," of the General Assembly of New Zealand, together with a printed copy of a Memorandum submitted to His Excellency Governor Du Cane on the subject of Intercolonial Reciprocity, which embodies the views of the Government of Tasmania as to the course of action that should be urged upon the Imperial authorities in order to carry into practical effect the following Resolution of the late Intercolonial Conference :—

"That, in the opinion of this Conference, the Australasian Colonies ought to be enabled to enter into arrangements with each other which would allow of the reciprocal admission of their respective products and manufactures duty free on such terms as might mutually be agreed upon; and that so much of the Acts of the Imperial Parliament as prohibits such engagements ought to be repealed."

I beg to remind you that the adoption by the Conference of the foregoing Resolution has pledged the Government of Victoria to take some active steps towards the practical assertion of the principles therein enunciated, and that hitherto no such steps have been taken.

The Imperial Government being now in possession of the Reciprocity Acts, of which I enclose you copies, is probably awaiting the action on this point of the Continental Colonies. And unless the Resolution in question, to which the Governments of Victoria, New South Wales, and South Australia stand committed by the votes of their Representatives at the Conference of last year, is to be regarded as the mere expression of an abstract opinion on a controverted question of Colonial relations with the Mother-country, it is desirable that an effort should be made without further delay to obtain the legislative concurrence of those Colonies in the action already taken by the Parliaments of New Zealand and Tasmania.

I desire, therefore, to recall your attention to the unanimous opinion of the late Conference on this important question, and to urge upon the Government of Victoria to invite Parliament to give it practical effect by definite legislation.

I have, &c.,

(Signed)

JAMES MILNE WILSON.

*The Hon. the Chief Secretary, Victoria, and
The Hon. the Colonial Secretary, New South Wales.*

Tasmania,
Colonial Secretary's Office, 14th June, 1871.

SIR,

HEREWITH I have the honor to transmit to you printed copies of "The Intercolonial Free Trade Act," of the Parliament of Tasmania, and of "The Colonial Reciprocity Act, 1870," of the General Assembly of New Zealand, together with a printed copy of a Memorandum submitted to His Excellency Governor Du Cane on the subject of Intercolonial Reciprocity, which embodies the views of the Government of Tasmania as to the course of action that should be urged upon the Imperial Authorities in order to carry into practical effect the following Resolution of the late Intercolonial Conference :—

"That in the opinion of this Conference the Australasian Colonies ought to be enabled to enter into arrangements with each other which would allow of the reciprocal admission of their respective products and manufactures duty free on such terms as might mutually be agreed upon, and that so much of the Acts of the Imperial Parliament as prohibits such engagements ought to be repealed."

The Government of Tasmania was pleased to observe that your Government brought forward and pressed through the Legislature of South Australia last year a very similar measure, which appears to have failed to become law through the accidental occurrence of a question of Privilege between the two Houses of Parliament.

The Imperial Government being now in possession of the Acts of which I enclose you copies, is probably awaiting the action on this point of the Continental Colonies; and it is very desirable that South Australia, Victoria, and New South Wales—all committed by the Votes of their Representatives at the Conference last year to the Resolution quoted above—should now express their Legislative concurrence in the action already taken by New Zealand and Tasmania.

I desire, therefore, to express a hope that the Government of South Australia will again invite Parliament to give practical effect to the unanimous opinion of the Conference by a definite Legislative enactment.

I have, &c.,

(Signed)

JAMES MILNE WILSON.

The Hon. the Chief Secretary, South Australia.

MEMORANDUM.

Colonial Secretary's Office, 27th June, 1871.

MR. WILSON has the honor to place in His Excellency's hands copies of official communications on the subject of Intercolonial Free Trade which have been recently addressed by the Government of Tasmania to the Governments of New South Wales, Victoria, and South Australia.

The Governor, during his contemplated visit to Adelaide, will enjoy an opportunity of discussing with Sir James Fergusson those topics of common Australian interest which have occupied so large a share of public attention since the late Intercolonial Conference.

Mr. Wilson ventures to trust that His Excellency will be able to foster the known views of his Government in connection with the subject matter of the enclosed correspondence, should occasion arise during His Excellency's presence in the Capital of South Australia.

(Signed) JAMES MILNE WILSON.

*His Excellency the Governor.**Government House, 27th June, 1871.*

MEMORANDUM FOR MINISTERS.

I HAVE duly received the copies forwarded to me by the Colonial Secretary of official communications on the subject of Intercolonial Free Trade which have been recently addressed by the Government of Tasmania to the Governments of New South Wales, Victoria, and South Australia.

2. I entirely concur in the general tenor of those communications, and I shall be glad to avail myself of any legitimate occasion which may offer itself during my contemplated visit to Melbourne and Adelaide of assisting the views of my Responsible Advisers.

3. I believe that Ministers are fully aware of my opinion, that "the power to enter into arrangements with each other, which would allow of the reciprocal admission of their respective products and manufactures duty free on such terms as might be mutually agreed upon," would confer a benefit upon the whole group of Australasian Colonies, and upon none greater than Tasmania. Nothing would give me greater pleasure than to see Tasmanian timber, hops, jams, and other native produce admitted duty free into Victoria and the other Continental Colonies, in exchange for the free admission into Tasmania of Australasian wines and other articles which are now met with a virtually prohibitory Customs Duty.

4. I have already on more than one occasion taken an opportunity of expressing my opinion on this subject to the Secretary of State. In a Despatch to Lord Granville of the 14th of July, 1870, enclosing a copy of the Report and Correspondence of the Intercolonial Conference which had just been held in Melbourne, I entered very fully into the subject, and prepared the Secretary of State for the action that was about to be taken by the Tasmanian Government. In sending home the Bill passed last Session, "to make better provision for the interchange of Colonial products and manufactures between the Colonies of Australasia," which was reserved for the signification of Her Majesty's pleasure, I again dwelt upon the advantages which the power to enter into engagements of this kind would confer on this Colony; and I recommended that Her Majesty's decision with respect to the Bill should be postponed pending the expression, either by legislation or by petition to the Crown, of their opinion by the majority of the other Australian Colonies. I also, in forwarding to Lord Kimberley Mr. Wilson's Memorandum of March 23rd, 1871, recommended it to his Lordship's favourable consideration, and expressed my general concurrence in the suggestions it contained for immediate action on the part of the Imperial Government.

5. It is right, however, that Ministers should understand that I advocate the concession to these Colonies of power to make these reciprocal engagements, not so much for any especial advantages that might be obtained thereby either by this or any individual Colony, but more especially because I regard such concessions as a stepping-stone to the complete Customs Union of the entire group. It would, to my mind, be far more satisfactory if a Customs Union of two or more Colonies, such as the Secretary of State has intimated that Her Majesty's Government would not oppose, could be accomplished without the necessity for any such intermediate halting-place; but this, I fear, with the tendency to a financial policy of a strong protective character of which Victoria is at this moment offering so strong an example, must be regarded as hopeless for the present at all events. The concession, however, of power to enter into reciprocal engagements could not, in my opinion, fail to pave the way towards commercial and financial relations of a more friendly character between such of the Colonies as may avail themselves of the power to enter into such contracts; and in this way local jealousies and diversities of views as to the incidence of taxation would by degrees lose their force, and the advantages of complete union become better understood and appreciated.

6. It is only, however, by united action on the part of either the entire group or a clear majority of the Australasian Colonies that there will be any chance, as it appears to me, of obtaining this concession from the Imperial Government. I am, therefore, glad that Ministers have drawn the attention of the Governments of New South Wales, Victoria, and South Australia to the subject; and I trust that these Colonies will shortly follow the example which has been set by Tasmania and New Zealand.

CHARLES DU CANE.

Sydney, 1st July, 1871.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 14th ultimo, transmitting printed copies of "The Intercolonial Free Trade Act" of Tasmania, "The Colonial Reciprocity Act, 1870," of New Zealand, and a Memorandum embodying the views of your Government on the subject of Intercolonial Free Trade, and urging upon this Government the desirability of inviting the Parliament of this Colony to give practical effect, by definite legislation, to the Resolution of the late Intercolonial Conference bearing upon the same subject.

2. In reply, I have the honor to inform you that this Government will take the above question into consideration in time for action on the next meeting of Parliament.

I have, &c.,
(Signed) JOHN ROBERTSON.

The Honorable the Colonial Secretary of Tasmania.

*South Australia,
Chief Secretary's Office, Adelaide, 6th July, 1871.*

SIR,

I HAVE the honor, by desire of His Excellency Sir James Fergusson, to acknowledge the receipt of your letter of the 14th ultimo, enclosing copy of an "Act to make better provision for the interchange of Colonial Products and Manufactures between the Colonies of Australasia;" and to inform you, in reply, that it is the intention of this Government again to invite Parliament to give practical effect to the unanimous opinion of the late Intercolonial Conference with regard to this subject by a definite legislative enactment.

I have, &c.,
(Signed) WILLIAM MILNE.

The Hon. the Colonial Secretary, Tasmania.

*Tasmania,
Colonial Secretary's Office, 18th July, 1871.*

SIR,

REFERRING to our correspondence of last year on the subject of the late Intercolonial Conference and Intercolonial Free Trade, I do myself the honor to enclose to you herewith printed copies of "The Intercolonial Free Trade Act" of the Parliament of Tasmania, and of the "The Colonial Reciprocity Act, 1870," of the Legislature of New Zealand.

2. I also forward herewith a printed copy of a Memorandum submitted to His Excellency Governor Du Cane for transmission to the Secretary of State for the Colonies, which fully embodies the views of the Tasmanian Government on the subject of Intercolonial Reciprocity.

3. In requesting the earnest attention of the Government of Queensland to these papers, I desire again to invite your co-operation in this matter with the action already taken by the Governments and Legislatures of New Zealand and Tasmania.

4. I regret to learn from your last communication on this subject, under date 1st October, 1870, that your Government is of opinion that such a measure would not be suitable to the Colony of Queensland, and that you are not prepared to invite Parliament to assent to a similar enactment.

5. I assumed the readiness of the Queensland Government to co-operate with us in this effort to obtain Imperial recognition of the right of these Colonies to enter into reciprocal Tariff arrangements, because I find that, on the 6th January of last year, the then Colonial Secretary of Queensland became a party to a "Memorandum agreed upon between the Governments of New South Wales, New Zealand, and Queensland," the first article of which proposes "to address an earnest representation to the Secretary of State for the Colonies respecting the disadvantages under which the Australian Colonies labour in respect to the doubts which exist as to their power to make mutual arrangements for the interchange, Duty free, of their several products and manufactures."

6. The Government and Legislature of this Colony have deemed the enactment of a law empowering the Governor to conclude reciprocal Tariff arrangements with the Governments of the other Colonies the most effectual practical form of representation to the Colonial Minister of their views and wishes on the subject of Intercolonial Free Trade; and I am not without hopes that the Legislatures of Continental Australia will, at no distant date, adopt a similar decisive and practical mode of intimating to the Imperial Government their views and wishes on this point.

7. I am already in receipt of a recent communication from the Government of South Australia acquainting me with their "intention again to invite Parliament to give practical effect to the unanimous opinion of the late Intercolonial Conference with regard to this subject by a definite legislative enactment;" and the Government of New South Wales assure me that they will "take this question into consideration in time for action on the next meeting of Parliament."

8. I observe with satisfaction, in your letter already referred to, an intimation that "although the Government of Queensland feel that it is not expedient to adopt our proposal *at present*, they are still prepared to adhere to the principle that it is desirable that the restriction hitherto imposed by Imperial Legislation on Intercolonial Free Trade should be removed, and that these Colonies should have the power, when it becomes desirable to exercise it, to make reciprocal Tariff arrangements with each other and with other countries."

9. It would, therefore, seem that we only differed as to the mode and time proper for the practical expression of our common opinion; and I trust that while the Government of Queensland doubt the expediency of legislating in this direction with New Zealand and Tasmania, they have not omitted "to address an earnest representation to the Secretary of State for the Colonies" in the terms of the Sydney Memorandum of the 6th January, 1870.

10. As regards your observations on the recent alterations in the Tasmanian Tariff, I beg that you will understand that the additional Duties imposed by the legislation of last Session were asked for by this Government, and sanctioned by Parliament, on purely financial considerations, and for revenue purposes only. It is obvious that the Intercolonial Free Trade Act, if assented to by the Queen, would enable the Government to remit any or all of these Duties in respect of imports from any Colony entering into reciprocal Tariff arrangements with Tasmania.

11. One great advantage of the possession by the Australian Governments of the powers conferred by the Reciprocity or Free Trade Acts of New Zealand and Tasmania would be found in the inducements such a condition of the law would offer to amicable Intercolonial negotiation, whenever any single Colony found it necessary to revise its Tariff.

12. The Legislatures of New South Wales and Victoria have adopted Tariffs which tend to circumscribe the commercial intercourse between those Colonies and Tasmania.

13. The powers conferred by our Intercolonial Free Trade Act would enable Tasmania, under such circumstances, to obviate, by reciprocal arrangements for the free interchange of commodities with her neighbours, the disadvantages to which her industry might be exposed by the operation of a Tariff that taxed indiscriminately foreign and colonial imports.

14. Queensland again, as a country capable of the growth of tropical products, would find her advantage in a reciprocal arrangement that specially exempted her sugar and coffee from duties of Customs in Tasmania, where those articles would command a near and certain market.

15. Entertaining these views, I desire to invite your particular attention to the terms of the following Resolution of the late Intercolonial Conference, and to urge upon the Government of Queensland to adopt some practical method of evincing their adherence to the important principles which it enunciates:—

"That, in the opinion of this Conference, the Australasian Colonies ought to be enabled to enter into arrangements with each other which would allow of the reciprocal admission of their respective products and manufactures duty free, on such terms as might mutually be agreed upon; and that so much of the Acts of the Imperial Parliament as prohibit such engagements ought to be repealed."

"The representatives of Tasmania undertook to prepare a measure for the purpose of being submitted to the Governments of the various Australasian Colonies to give effect to the foregoing Resolution."

I have, &c.,

(Signed) JAMES MILNE WILSON.

The Honorable the Colonial Secretary, Queensland.

*Queensland,
Colonial Secretary's Office, Brisbane, 25th July, 1871.*

SIR,

I HAVE the honor to acknowledge the receipt of printed copies of "The Intercolonial Free Trade Act" of the Parliament of Tasmania, and of "The Colonial Reciprocity Act, 1870," together with a copy of a Memorandum submitted to His Excellency Governor Du Cane, forwarded under cover of your letter of the 18th July instant, having reference to former correspondence on the subject of the late Intercolonial Conference and Intercolonial Free Trade, which will receive the due attention of the Government.

I have, &c.,

For the Colonial Secretary,

The Honorable the Colonial Secretary, Tasmania.

(Signed) J. M. MASSIE.

TASMANIA.

(CIRCULAR.)

Downing-street, 13th July, 1871.

SIR,

I HAVE had for some time under my consideration Despatches from the Governors of several of the Australasian Colonies, intimating the desire of the Colonial Governments that any two or more of those Colonies should be permitted to conclude agreements securing to each other reciprocal Tariff advantages; and reserved Bills to this effect have already reached me from New Zealand and Tasmania.

It appears that whilst it is at present impossible to form a general Customs Union, owing to the conflicting views of the different Colonial Governments as to Customs Duties, the opinion extensively prevails, which was expressed at the Intercolonial Conference held at Melbourne last year, in favour of such a relaxation of the Law as would allow each Colony of the Australasian Group to admit any of the products or manufactures of the other Australasian Colonies Duty free, or on more favourable terms than similar products and manufactures of other Countries.

At the same time it has not been stated to me from any quarter that the subject urgently presses for the immediate decision or action of Her Majesty's Government; and I trust, therefore, that any delay that may arise in dealing with it will be attributed to its true cause, namely, to the desire of Her Majesty's Government to consider the subject deliberately in all its bearings, with a view to arrive at such a settlement as may not merely meet temporary objects, but constitute a permanent system resting upon sound principles of commercial policy.

The necessary consultations with the Board of Trade and with the Law Officers have unavoidably been protracted to a late period of the Session; and if Her Majesty's Government were satisfied that they could properly consent to the removal of the restrictions against Differential Duties, it would not be possible now to obtain for so important a measure the attention which it should receive from Parliament. It is by no means improbable that the introduction of a Bill to enable the Australasian Colonies to impose Differential Duties might raise serious discussions and opposition both in Parliament and in the Country, on the ground that such a measure would be inconsistent with the principles of Free Trade, and prejudicial to the commercial and political relations between the different parts of the Empire; and I feel confident that the Colonial Governments will not regret to have an opportunity afforded them of further friendly discussion of the whole subject, after learning the views of Her Majesty's Government upon it, before any final conclusion is arrived at. I will therefore proceed to notice those points which seem to Her Majesty's Government to require particular examination.

The Government of New Zealand appears from the Bill laid before the House of Representatives, and from the financial statement of the Treasurer, to have originally contemplated the granting of special bonuses to goods imported into New Zealand from the other Australasian Colonies. As, however, this expedient was not eventually adopted, I am relieved from the necessity of discussing the objections to such a mode of avoiding the rule against Differential Duties.

The proposal now before me raises the following questions; viz.,—

1. Whether a precedent exists in the case of the British North American Colonies for the relaxation of the rule or law now in force.
2. Whether Her Majesty's Treaty obligations with any Foreign Powers interfere with such relaxation.
3. Whether a general power should be given to the Australasian Governments to make reciprocal Tariff arrangements, imposing Differential Duties, without the consent of the Imperial Government in each particular case.
4. Whether on grounds of general Imperial policy the proposal can properly be adopted.

The Attorney-General of New Zealand, in his Report accompanying the reserved Bill, observes that its main provisions are almost a literal copy of provisions which have been for some time past in force in Canada and other North American Colonies; and I observe that in the various communications before me the argument is repeatedly pressed that the Australasian Colonies are entitled to the same treatment in this respect as the North American Colonies. It may be as well, therefore, to explain what these provisions actually are.

I enclose extracts from the Acts of Newfoundland and Prince Edward Island of the year 1856; but I need not dwell upon them, because, as dealing with a limited list of raw materials and produce not imported to those Colonies from Europe, they are hardly, if at all, applicable to the present case; and I shall refer only to the Act passed by the Dominion of Canada in 1867, (31 Vict. Cap. 7), which is the enactment principally relied upon as a precedent.

Schedule D. of this Act exempts from Duty certain specified raw materials and produce of the British North American Provinces; and the 3rd Section enacts, that "any other articles than those mentioned in Schedule D., being of the growth and produce of the British North American Provinces, may be specially exempted from Customs Duty by order of the Governor in Council."

This, which was one of the first Acts of the Legislature of the newly constituted Dominion in its opening Session, 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 the assent of Her Majesty's Government to a measure passed in circumstances so peculiar and exceptional cannot form a precedent of universal and necessary application,—although I am not prepared to deny that the Australasian Governments are justified in citing it as an example of the admission of the principle of Differential Duties.

With reference to the second question, as to the existence of any Treaty the obligations of which might be inconsistent with compliance by Her Majesty with the present proposal, the Board of Trade have informed me that this point could only be raised in connexion with the terms of the Treaty between this Country and the Zollverein of 1865, extended through the operation of the "most favoured nation" Article to all other countries possessing rights conferred by that stipulation.

The 7th Article of that Treaty, which extends the provisions of previous Articles to the Colonies and Foreign Possessions of Her Majesty, contains the following provision:—

"In the Colonies and Possessions the produce of the States of the Zollverein shall not be subject to any higher or other Import Duties than the produce of the United Kingdom of Great Britain and Ireland or of any other Country of the like kind." I am advised that this 7th Article may be held not to preclude Her Majesty from "permitting the Legislature of a British Possession to impose on articles being the produce of the States of the Zollverein any higher or other Import Duties than those which are levied on articles of the like kind which are the produce of another British Possession, provided such Duties are not higher or other than the Duties imposed on articles of the like kind being the produce of the United Kingdom of Great Britain and Ireland."

But, apart from the strict interpretation of the Treaty, it seems very doubtful whether it would be a wise course on the part of the Australasian Colonies, which both as regards Emigration and Trade have more extensive relations with Germany than with perhaps any other Foreign Country, to place German products and manufactures under disadvantages in the Colonial markets.

Proceeding to the third question, whether, if the principle of allowing the imposition of Differential Duties were conceded, the Colonies could be permitted to impose such Duties without the express sanction of the Imperial Government in each particular case, you will be prepared, by what I have already said, to learn that I consider it open to serious doubt whether such absolute freedom of action could be safely given.

Her Majesty's Government are alone responsible for the due observance of Treaty arrangements between Foreign Countries and the whole Empire; and it would be scarcely possible for the Colonial Governments to foresee the extent to which the trade of other parts of the Empire might be affected by special Tariff agreements between particular Colonies.

It must, moreover, be anticipated that these differential agreements, being avowedly for the supposed benefit of certain classes of the community, would be liable to be affected by temporary political circumstances. The door having been once opened, each producing or manufacturing interest, and even individuals desirous of promoting any new enterprise, might in turn press for exceptionably favourable treatment under the form of Intercolonial reciprocity, while the real grounds for such changes as might be proposed would be intelligible only to those concerned with local politics.

It would appear, therefore, to be by no means clear that Her Majesty's Government could be relieved from the obligation of examining the particulars of each contemplated agreement, however limited; and while it would be very difficult for them to make such an examination in a satisfactory manner, a detailed enquiry of this kind could hardly fail to be irksome to the Colonies, and to lead to misunderstandings.

It remains for me, lastly, to ask how far it is expedient, in the interests of each Colony concerned, and of the Empire collectively, that the Imperial Parliament should be invited to legislate in a direction contrary to the established commercial policy of this country.

Her Majesty's Government are bound to say that the measure proposed by the Colonial Governments seems to them inconsistent with those principles of Free Trade which they believe to be alone permanently conducive to commercial prosperity; nor, as far as they are aware, has any attempt been made to show that any great practical benefit is expected to be derived from reciprocal Tariff arrangements between the Australasian Colonies.

At all events I do not find anywhere among the papers which have reached me those strong representations and illustrations of the utility or necessity of the measure which I think might fairly be expected to be adduced as weighing against its undeniable inconveniences.

It is, indeed, stated in an Address before me that the prohibition of differential Customs treatment "operates to the serious prejudice of the various producing interests of the Australian Colonies." I understand this and similar expressions to mean that it is desired to give a special stimulus or premium to the Colonial producers and manufacturers, and to afford them the same advantage in a neighbouring Colony over the producers and manufacturers of all other parts of the Empire and of Foreign Countries as they would have within their own Colony under a system of Protective Duties. What is termed reciprocity is thus in reality protection.

It is, of course, unnecessary for me to observe that, whilst Her Majesty's Government feel bound to take every proper opportunity of urging upon the Colonies, as well as upon Foreign Governments, the great advantages which they believe to accrue to every country which adopts a policy of Free Trade, they have relinquished all interference with the imposition by a Colonial Legislature of equal duties upon goods from all places, although those duties may really have the effect of protection to the native producer.

But a proposition that in one part of the Empire commercial privileges should be granted to the inhabitants of certain other parts of the Empire to the exclusion and prejudice of the rest of Her Majesty's subjects, is an altogether different question; and I would earnestly request your Government to consider what effect it may have upon the relations between the Colonies and this country.

Her Majesty's subjects throughout the Empire, and nowhere more than in Australasia, have manifested on various occasions of late their strong desire that the connexion between the Colonies and this Country should be maintained and strengthened; but it can hardly be doubted that the imposition of Differential Duties upon British produce and manufactures must have a tendency to weaken that connexion, and to impair the friendly feeling on both sides, which I am confident your Government, as much as Her Majesty's Government, desire to preserve.

I have thought it right to state frankly and unreservedly the views of Her Majesty's Government on this subject, in order that the Colonial Government may be thoroughly aware of the nature and gravity of the points which have to be decided; but I do not wish to be understood to indicate that Her Majesty's Government have, in the present state of their information, come to any absolute conclusion on the questions which I have discussed.

The objections which I have pointed out to giving to the Colonies a general power of making reciprocal arrangements would not apply to a Customs Union with an uniform Tariff; and although such a general union of all the Colonies is, it appears, impracticable, it may be worth while to consider whether the difficulty might not be met by a Customs Union between two or more Colonies.

I have the honor to be,
Sir,

Your most obedient humble Servant,

Governor DU CANE.

KIMBERLEY.

EXTRACT from Cap. I., 1856. Laws of Newfoundland.

"IV. The following articles shall be admitted into this Island and its Dependencies free of Duty, being the growth, produce, or manufacture of the United Kingdom, or of the British North American Provinces, or of the Island of Prince Edward respectively, notwithstanding any law to the contrary; viz.—animals, beef and pork, biscuit, bread, butter, cocoa paste, corn or grain of all kinds, flour and bread stuffs, fish, fresh or salted, dried or pickled, fish oil, fins or skins the produce of fish or creatures living in the sea, gypsum, horns, poultry, plants, shrubs and trees, potatoes and vegetables of all kinds, seeds of all kinds, apples, pelts, skins, furs or tails undressed, wood, viz.—boards, planks, staves, timber, and firewood."

"V. The following articles shall be admitted into this Island and its Dependencies free of Duty, being the growth, produce, and manufacture of the Provinces of Nova Scotia, New Brunswick, or Prince Edward Island, respectively; viz.—grain and bread stuffs of all kinds, vegetables, fruits, seeds, hay and straw, hops, animals, salted and fresh meats, butter, cheese, chocolate and other preparations of cocoa, lard, tallow, hides, horns, wool, undressed skins and furs of all kinds, ores of all kinds, iron in pigs and blooms, copper, lead in pigs, grindstones and stones of all kinds, earth, coals, lime, ochres, gypsum, ground or unground, rock-salt, wood, bark, timber, and lumber of all kinds, firewood, ashes, fish, fish oil, viz., train oil, spermaceti oil, head-matter and blubber, fins and skins the produce of fish or creatures living in the sea."

EXTRACT from the Revised Statutes of Prince Edward Island.

CAP. I., 1856. 19 VICT. C. I (1856).

"VIII. The several articles hereinafter enumerated, being the growth or production of Canada, Nova Scotia, New Brunswick, or Newfoundland, shall be exempted from the Duty hereby imposed upon them, and shall be admitted into this Island free of Duty when imported direct from the said Provinces or either of them: Provided the same shall not pass through or be imported from any country not reciprocating with this Island, as long as the said articles are admitted into Canada, Nova Scotia, New Brunswick, and Newfoundland, or either of them, free of Duty; viz., grain and bread stuffs of all kinds, vegetables, fruits, seeds, hay and straw, animals, salted and fresh meats, butter, cheese, lard, tallow, hides, horns, wool, fish, undressed skins and furs of all kinds, ores of all kinds, iron in pig and blooms, copper, lead in pigs, grindstones and all kinds of stones, earth, coal, lime, ochres, gypsum (ground and unground), rock-salt, wood, timber and lumber of all kinds, firewood, ashes, fish oil; viz., train oil, spermaceti oil, head-matter and blubber, fins and skins, the produce of fish or creatures living in the water; poultry, eggs, pitch, tar, turpentine, rice, broom corn and bark, dye stuffs, flax, hemp and tow unmanufactured, unmanufactured tobacco, rags, and cotton wool."

TASMANIA.

MEMORANDUM.

LORD KIMBERLEY'S Despatch, under date the 13th July, 1871, on the question of Intercolonial Reciprocity, has received the attentive consideration of His Excellency's Advisers.

It is satisfactory to find that the Secretary of State admits that, in the cases of Newfoundland and Prince Edward Island in 1856, and of the Dominion of Canada in 1867, Her Majesty's Government have assented to Acts exempting Colonial products from the duties imposed on similar articles when imported from Europe; and that, as regards the latest precedent, Lord Kimberley is "not prepared to deny that the Australasian Governments are justified in citing it as an example of the admission of the principle of Differential Duties."

It is not easy to understand why the earlier precedents are not similarly recognised as applicable to the recent demand for an admission of the same principle by the Legislatures of New Zealand and Tasmania, to which may now be added that of South Australia. The lists of articles in the sections of Statutes appended to the Despatch comprise, in the main, the products and manufactures of the Provinces and Colonies therein named. And the Reciprocity Conventions contemplated by the reserved Bills of Tasmania and New Zealand would deal similarly with the products and manufactures of the Australasian Colonies.

There is, however, another example of the admission of the principle of Differential Duties by Her Majesty's Government which is not referred to by Lord Kimberley. The Acts of the Legislatures of Victoria and New South Wales which sanction the reciprocal importation across the Murray Border of goods, which are liable to Customs Duties on the wharves of Melbourne and

Sydney, have received Her Majesty's assent, and constitute a recent and conspicuous precedent for legislation in favour of Intercolonial Reciprocity: and this example derives special importance from the fact that the Acts in question were passed in the exercise of powers to legislate on this point, specially conferred upon Victoria and New South Wales by the Imperial Statutes which granted to those Colonies their present Constitutions.

It would, therefore, seem that all the precedents that can be instanced of Imperial assent to Colonial Legislation on this point may be "cited as examples of the admission of the principle of Differential Duties."

When we come to the extent to which such Colonial legislation would affect Her Majesty's Treaty obligations with Foreign Powers, it is admitted that there is but one Treaty in existence which contains a stipulation restricting the fiscal legislation of "Colonies and Possessions" of the British Crown; and that the Secretary of State is "advised" that the Article in question "may be held not to preclude Her Majesty from permitting"—to quote the language of the Despatch—"such a relaxation of the Law as would allow each Colony of the Australasian Group to admit any of the products or manufactures of the other Australasian Colonies duty free, or on more favourable terms than similar products and manufactures of other countries."

From this we may infer that, while Her Majesty is bound to require that Differential Duties shall not be imposed upon imports into British Colonies from the United Kingdom and Foreign States, Her Majesty is not required by any Treaty to refuse the Royal Assent to Measures admitting the reciprocal importation between two or more British Possessions, duty free, of articles which the Colonial Legislatures have subjected to Customs Duties when imported from Europe.

Lord Kimberley's suggestion of the impolicy of placing "German products and manufactures under disadvantages in the Colonial markets," seems to touch a subject on which it may be said the Legislatures of Australasia are the legitimate, perhaps the best, judges.

Lord Kimberley's observations on the question of Colonial Differential Duties as affecting the general Imperial Policy seem to proceed upon a misconception of the object aimed at by the Australasian Governments, and of the motives which influence the advocates of the removal of Imperial restrictions on the fiscal legislation of the Colonies.

The object of the Tariff Conference held in Melbourne last year was to establish a Commercial Union of the Australias and New Zealand on the basis of a common Tariff, with a distribution of the Customs Revenue to the several Colonies according to population. That object was found to be, at that time, unattainable; and the Conference adopted a unanimous Resolution to the effect that it was desirable that the Colonial Legislatures should be freed from Imperial restrictions on their reciprocal fiscal arrangements.

Her Majesty's Government had intimated their readiness to assent to a Customs Union of two or more Colonies; but, when such an arrangement was found to be impracticable, the Governments represented at the Conference were willing to rest content with the removal of the existing restrictions on Intercolonial trade by Reciprocity Conventions.

It is difficult to apprehend the force of objections offered to this mode of treating the question when no objection is raised to a Customs Union, which would produce precisely analogous results on a much larger scale.

A Customs Union between all the Australasian Colonies would enable these Countries to impose, if it were thought desirable, protective duties upon imports from Europe, while Colonial products and manufactures were reciprocally interchanged duty free. How, it may be asked, can such a system be deemed legitimate and admissible, when a plan for carrying it into only partial operation by less direct means is held to be open to grave objections?

Her Majesty's Government are prepared, we are informed, to sanction an arrangement that would enable a group of six Colonies, if they were so minded, to establish absolute Free Trade amongst themselves in combination with Protection against all the world beside. But when two Colonies desire to be placed in a similar position by a Tariff Convention, "Her Majesty's Government are bound to say that the measure proposed seems to them inconsistent with those principles of Free Trade which they believe to be alone permanently conducive to commercial prosperity."

By Lord Kimberley's own showing there are precedents for the legislation now submitted for the Royal assent; and there are no legal obstacles to its recognition in the shape of Imperial Treaty obligations. It is only on an abstract theory of the superior advantages of a Free Trade policy that the Secretary of State objects to a proposal which seems to sanction Protection under the name of Reciprocity.

These are views which can find no acceptance with Colonial Legislatures under a system of Constitutional Government. The question they desire to solve is one directly affecting the interests of the communities for which those Legislatures are elected to make Laws. Its effect upon Imperial interests is almost inappreciable. The doubt whether "the imposition of Differential Duties upon British produce and manufactures might not have a tendency to weaken the connection between the Mother Country and the Colonies, and to impair the friendly feeling on both sides," seems scarcely warranted by a fair consideration of the whole bearing of the application under discussion.

It may be observed that the Tariffs of the Australasian Colonies have, in effect, for some years past imposed duties on British manufactures either intentionally or incidentally protective.

Is it to be supposed that the "friendly feeling on both sides" which has survived the imposition of Protective or Prohibitory Duties on British manufactures would be "impaired" by a Reciprocity Convention,—for example, between Victoria and Tasmania,—which permitted the products and manufactures of those Colonies to be mutually exchanged duty free, or under a lower duty than similar articles imported from the United Kingdom? It may be suggested with far greater probability that "the friendly feeling on both sides" is more likely to be impaired by the refusal of Her Majesty's Government to relax a Law which imposes an irksome restriction on the fiscal legislation, and vexatiously intermeddles with the domestic taxation, of these self-governed Colonies.

Lord Kimberley seems to complain of the absence of "strong representations and illustrations of the utility or necessity of the measure." The unanimous Resolution of the Conference of last year, and the subsequent identical legislation of New Zealand, South Australia, and Tasmania, may be taken as a sufficient indication of the strength of the conviction of the Governments and Legislatures of Australasia of the urgent necessity, and by consequence in their judgment of the utility, of the measure.

As far as the Colony of Tasmania is concerned, the "necessity and utility of the measure" are sufficiently obvious. Our Customs Duties are imposed for revenue purposes only. But when our nearest neighbours practically close against our producers and manufacturers their best and natural market by the comprehensive operation of an intentionally Protective Tariff, we seek relief in Reciprocity Conventions, which, while they would extend the basis of commercial operations between us and our neighbours, would in no way prejudice the interests of European producers and manufacturers, inasmuch as the desired Convention would, for the most part, "deal with a limited list of raw materials and produce not imported to these Colonies from Europe."

Lord Kimberley's treatment of this question indicates throughout a natural anxiety to avoid a decision which might seem to commit Her Majesty's Government to a departure "from the established commercial policy" of the Mother Country. But, since His Lordship assures us that Her Majesty's Government have not "come to any absolute conclusion on the questions which he has discussed," we may venture to hope that a firm but respectful persistence in the course of legislation already adopted by New Zealand, Tasmania, and South Australia will shortly secure for the Australasian Colonies that freedom from Imperial restrictions on their fiscal relations with each other which the conciliatory policy of Her Majesty's Government has already conceded to the Colonies of British North America.

JAMES MILNE WILSON.

Colonial Secretary's Office, 11th September, 1871.

His Excellency the Governor.

MEMORANDUM.

MR. WILSON has the honor to forward to the Governor herewith a printed copy of the Official Report of the Proceedings of the Intercolonial Conference held last month in Melbourne, at which the Governments of New South Wales, Tasmania, South Australia, Victoria, and Queensland were duly represented.

The primary object of the Conference was the arrangement of the terms of a Contract for Postal Services between Australia and London *via* Suez and Brindisi, and *via* San Francisco and New York. To the details of that arrangement, which united the suffrages of the Delegates from all the Colonies represented, and promises to supply Tasmania with a fortnightly Mail from Europe on very reasonable and advantageous terms, it is not necessary at this stage to trouble His Excellency with any further observations beyond the statement, that the Governments of Victoria and New South Wales are authorised to take the necessary measures for carrying the Resolutions of the Conference on this point into practical effect.

But Mr. Wilson desires to draw the Governor's special attention to the "Memorandum" and "Resolutions" on the subject of Lord Kimberley's Despatch (Circular, 13th July, 1871), which was brought under the notice of the Conference. (*Vide* Report, pages 28 and 29.)

The "Memorandum" is signed by the Delegates from New South Wales, Tasmania, and South Australia. The Representatives of the Victorian Government, for reasons not stated in the Report, declined to attach their signatures to this paper.

The "Resolutions," five in number, were unanimously adopted by the Delegates from New South Wales, Tasmania, South Australia, and Victoria. The Delegates from Queensland signed neither "*Memorandum*" nor "*Resolutions*," being instructed "to confine their labours to the Postal Question."

His Excellency will observe that the "Memorandum" deals with the subject discussed in Lord Kimberley's Circular Despatch from almost the same standpoint as Mr. Wilson's Memorandum on that Despatch, submitted to the Governor on the 11th ultimo; and His Excellency will, no doubt, remark with satisfaction that, while the "Memorandum" adopted at the Conference clearly "asserts and maintains the right of the Legislatures of these Colonies to direct and control their fiscal policy as amongst themselves without interference on the part of Her Majesty's Ministers in England," and also "asserts the right of the Colonies to impose such duties on imports from other places, not being differential, as each Colony may think fit," yet that the same "*Memorandum*" records the "desire" of its Signatories "that the connection between the Mother Country and her offspring in this part of the world should long 'continue;' and 'emphatically repudiates all sympathy with the views of those who, in the Imperial Parliament or elsewhere, have expressed a wish that the bonds which unite them should be severed.'"

In these opinions, as in the terms of the "*Memorandum*" generally, Mr. Wilson begs to assure the Governor that His Excellency's Responsible Advisers entirely and heartily concur.

The "*Resolutions*" adopted at the Conference will be found, on examination, to be a reiteration, in almost the same terms as those employed by the Conference of last year, of the Resolution then adopted to assert the right of the Colonies to provide, by legislation, for the reciprocal admission of their respective products and manufactures duty free, or on terms mutually agreed upon, and requiring the repeal of so much of any Imperial Statutes as prohibit such arrangements.

In addition, the Resolutions enunciate the opinion (1), that Imperial Treaty obligations ought not to limit in any way the freedom of Intercolonial Reciprocity Conventions; and (2), that "Imperial interference with Intercolonial fiscal legislation should finally and absolutely cease."

The Delegates from Tasmania, though satisfied with the terms and tenor of the "*Memorandum*," felt no difficulty in affixing their signatures to the "*Resolutions*," which may also be taken as embodying the collective opinion of His Excellency's Ministers.

Both "*Memorandum*" and "*Resolutions*" contain a clause suggesting their transmission to the Secretary of State through the Governors of the respective Colonies; and Mr. Wilson trusts that His Excellency, in complying with that suggestion, will feel at liberty to urge upon the consideration of Her Majesty's Ministers the unanimity of the principal Australian Colonies on this important question of their freedom of Intercolonial fiscal legislation, and their anxiety for the unrestricted power of establishing "a free interchange of their products and manufactures as amongst themselves."

Mr. Wilson cannot conclude this Minute without acquainting the Governor with the fact that the Delegates from His Excellency's Ministry were received, in conjunction with the Delegates from the other Colonies, with that cordial understanding which has always happily characterised the Intercolonial relations of the several communities of British Australasia.

JAMES MILNE WILSON.
Colonial Secretary's Office, 6th October, 1871.

His Excellency the Governor.

INTERCOLONIAL CONFERENCE.

A CONFERENCE of Delegates from the Colonies of Victoria, New South Wales, South Australia, Tasmania, and Queensland commenced its sittings in the Executive Council Chamber, Government Offices, Melbourne, on Monday, September 18th, 1871.

Present:

The Hon. CHARLES GAVAN DUFFY, in the Chair;

The Hon. SIR JAMES MARTIN,
The Hon. G. W. LORD,
The Hon. JOSEPH DOCKER,
The Hon. GRAHAM BERRY,
The Hon. JOHN HART, C.M.G.,
The Hon. WM. MILNE,

The Hon. WM. MORGAN,
The Hon. J. M. THOMPSON,
The Hon. T. L. MURRAY-PRIOR,
The Hon. J. M. WILSON, and
The Hon. JAS. DUNN.

After adjourned debate, the following contract for two Postal Services with Europe was adopted and signed:—

The Honorable CHARLES GAVAN DUFFY, Chief Secretary and Premier, and the Honorable GRAHAM BERRY, Treasurer and Commissioner of Customs of the Colony of Victoria; the Honorable Sir JAMES MARTIN, Attorney-General and Premier, the Honorable GEORGE WILLIAM LORD, Colonial Treasurer, and the Honorable JOSEPH DOCKER, Postmaster-General of the Colony of New South Wales; the Honorable JOHN HART, C.M.G., Treasurer and Premier, the Honorable WILLIAM MILNE, Chief Secretary, and the Honorable WILLIAM MORGAN, a Member of the Legislative Council, of the Colony of South Australia; the Honorable JOHN MALBON THOMPSON, Secretary for Public Lands, and the Honorable THOMAS LODGE MURRAY-PRIOR, Postmaster-General, of the Colony of Queensland; and the Honorable JAMES MILNE WILSON, Colonial Secretary and Premier, and the Honorable JAMES DUNN, Member of the Executive Council, of the Colony of Tasmania; have this twenty-sixth day of September, A.D. 1871, at Melbourne, in the Colony of Victoria, acting on behalf of the Colonies they respectively represent, agreed to the following terms for the establishment of a Postal Service between these Colonies and England:—

1. The above-mentioned colonies shall contribute towards the maintenance of two Postal lines—the one between London and Sydney, by the way of Suez, and the other between London and Melbourne, by the way of San Francisco—a sum not exceeding £123,000 per annum, in the proportions following, based on the relative population of such colonies, namely:—

		Estimated Population (exclusive of Aborigines).		Proportionate Payment.
Victoria ..	..	728,734	..	£54,958 13 3
New South Wales ..	..	501,580	..	37,827 9 5
South Australia ..	..	185,626	..	13,999 6 0
Queensland ..	..	115,000	..	8,672 18 2
Tasmania ..	..	100,000	..	7,541 13 2
		<u>1,630,940</u>		<u>£123,000 0 0</u>

This sum is fixed on the assumption that one-half the total cost of both services shall be borne by the Imperial Government.

2. Such contributions shall be paid subject to the conditions following:—

- (1.) The mails shall be delivered both ways and on both routes within forty-eight days; that is to say, from London to Sydney and from Sydney to London, by way of Suez, within forty-eight days, and from London to Melbourne and from Melbourne to London, by the way of San Francisco, within forty-eight days.
- (2.) The steamers running by way of Suez shall call both ways and receive and deliver mails at Glenelg (Holdfast Bay), in South Australia, and at Melbourne, in Victoria.
- (3.) The steamers running by way of San Francisco shall call both ways and deliver and receive mails at Moreton Island, in Queensland, and at Sydney, in New South Wales.
- (4.) The Time Tables of the two lines shall be so arranged as to provide for the arrival and despatch of a mail every fortnight.

3. The colony of New Zealand shall be permitted to join in and enjoy the benefit of this agreement on undertaking to pay the proportion of the entire cost (£123,000) on the basis of population, and to provide any branch service necessary to enable her to avail herself of the arrangement. The contributions of the colonies would then stand thus :—

	Estimated Population (exclusive of Aborigines).	Proportionate Payment.
Victoria ..	728,734	£47,492 11 2
New South Wales ..	501,580	32,688 12 9
South Australia ..	185,626	12,097 9 9
Queensland ..	115,000	7,494 14 0
Tasmania ..	100,000	6,517 3 0
New Zealand ..	256,393	16,709 9 4
	<hr/> 1,887,333	<hr/> £123,000 0 0

4. In the event of a contribution being made by Western Australia, New Caledonia, the Sandwich Islands, or any other colony or country, towards the above services, or either of them, such contributions shall be applied to diminish the payments of the colonies entering into this agreement in the proportions in which they have hereby agreed to pay.

5. Any agreement made with the colony of New Zealand or any other country or colony to enable such colony or country to share in the advantages of this contract shall be so framed as not to extend the time above agreed upon within which mails are to be delivered in London and in Sydney and Melbourne.

6. Any contract made for the services above mentioned by way of Suez and San Francisco may be for a period of five years certain, with a proviso that it shall continue in force after such period unless, two years before the expiration of such five years, any one of the colonies gives notice of withdrawal from the contract; and two years' notice given by any one colony being a party to this agreement, at any time after the expiration of three years from the commencement of the contract, shall terminate such contract.

7. Any contract made for either of the above lines may contain stipulations for enforcing performance similar to those inserted in the existing contract for the service by way of Suez.

8. The Government of the United States shall be invited to contribute towards the maintenance of the San Francisco line; and in the event of the total amount contributed by the colonies parties to this contract being, by reason of such contribution or by any other reason, less than the sum of £123,000, the amounts paid by the colonies parties hereto shall be in the like proportion as that above fixed for the payment of the £123,000.

9. No colony party to this agreement shall give the two years' notice above mentioned without at the same time giving notice to the other parties to this agreement.

10. Tenders shall be invited in the Australian Colonies and in England and America for the two services, which, in both cases, may be invited through or with the concurrence of the Imperial Government, if found practicable and convenient; and such tenders shall provide for commencing the San Francisco service not later than the 31st of March 1873, and for commencing the Suez service immediately on the termination of the present contract for that service by effluxion of time or otherwise, and the 31st of March next shall be the latest period for sending in tenders.

11. The colonies of Victoria, New South Wales, South Australia, and Queensland shall pay annually to the colony of Tasmania, in consideration of that colony joining in this agreement, towards the expenses of the two branch lines which it must establish to enable it to have the benefit of the postal lines above mentioned, the sum of £1200, in the following proportions, namely :—

	Estimated Population (exclusive of Aborigines.)	Proportionate Payment.
Victoria ..	728,734	£571 4 1
New South Wales ..	501,580	393 3 1
South Australia ..	185,626	145 10 0
Queensland ..	115,000	90 2 10
	<hr/> 1,530,940	<hr/> £1200 0 0

12. This agreement is made subject to the condition that it shall be approved of by the Legis-

atures of the colonies interested therein; and the parties hereto pledge themselves to use their best efforts to obtain such approval.

13. For the purpose of more conveniently carrying out this agreement, the Governments of Victoria and New South Wales are authorized to take the necessary measures in that behalf.

(Signed)

C. GAVAN DUFFY.
GRAHAM BERRY.
JAMES MARTIN.
GEORGE W. LORD.
JOSEPH DOCKER.
JOHN HART.
WILLIAM MILNE.
W. MORGAN.
J. MALBON THOMPSON.
THOMAS L. MURRAY-PRIOR.
J. M. WILSON.
JAMES DUNN.

MEMORANDUM OF BUSINESS TRANSACTED.

After the terms of agreement in reference to the permanent mail services by way of Suez and San Francisco had been settled, the consideration of the proposed services by way of the Cape of Good Hope and Batavia was entered upon.

With reference to the service by way of the Cape of Good Hope, the delegates from New South Wales, Queensland, and Tasmania stated that they felt themselves unable, on behalf of their colonies, to join Victoria in subsidizing that route; and the delegates from South Australia stated that, having already agreed to subsidize the lines by way of Suez and San Francisco, they were unable to join in supporting the Cape route as otherwise they would have been desirous of doing.

With reference to the service by the way of Batavia, after discussion, it was found that no agreement could be arrived at for Victoria, New South Wales, South Australia, and Tasmania uniting with Queensland in supporting such a service.

The consideration of a temporary service by way of San Francisco was then proceeded with, and it was proposed by the delegates from Victoria that negotiations should be entered upon with the companies at present carrying mails from New Zealand to San Francisco, and from Sydney to San Francisco, with a view to obtain the best temporary service practicable upon terms which would make the united cost of the present Suez route and any temporary route by San Francisco fall upon the contributing colonies in the ratio of population. The delegates from New South Wales refused to negotiate for any service on the basis of the New Zealand contract, and as complete agreement was the necessary preliminary of joint action, the proposal was necessarily abandoned.

It was then proposed by the delegates from New South Wales that an arrangement should be made with Mr. Hall for a service by which the mails should be carried between San Francisco and Melbourne, calling at Moreton Island and Sydney both ways; the mails being delivered both ways, in London and Melbourne, within 48 days; and that New South Wales should contribute towards such service at the rate of £15,000 a year, until some permanent arrangement for a San Francisco service should be made. It was ascertained that the Postmaster-General in London had announced his intention of charging 2d. on each newspaper and 3d. on each letter of half an ounce, by this line, in addition to the postage charged in Australia, on the ground that such letters had been forwarded by a "private merchant vessel," and that the New South Wales Government had protested against this course, but with what result is still unknown. After discussion, it was found that no agreement could be come to for this temporary service.

The subject of telegraphic communication with Europe was considered. It was suggested that, as soon as the overland line was completed and its actual cost ascertained, the Governments represented at the Conference might negotiate for the purchase of the line, with a view to their taking measures in common to reduce the proposed charge on telegrams to and from Europe at least fifty per cent. The delegates considered they had no authority to determine this question, and it was therefore postponed.

Lord Kimberley's circular despatch of the 13th July having been brought under consideration, the delegates from New South Wales proposed a memorandum on the subject which was accepted by the delegates from South Australia and Tasmania, and objected to by the delegates of Victoria, and which the Queensland delegates did not consider themselves authorised to adopt. The delegates of Victoria then proposed certain resolutions insisting on the right of the colonies to make

intercolonial tariffs without limitation, which were unanimously adopted, subject to the consent of the Queensland Government being obtained. The Queensland delegates, however, having been instructed to confine their labors to the postal question, the resolutions proposed by the Victorian delegates were adopted by the other colonies.

The delegates from South Australia having brought under consideration the necessity for legislation in the different colonies for the purpose of facilitating the enforcement of claims against absconding debtors, it was agreed that the Governments of each colony should take the subject into consideration at an early period.

It was agreed that the contract and the memorandum of business transacted should be published in all the colonies represented at the Conference simultaneously on *Saturday, the 7th of October.*

(Signed) C. G. D.
G. B.
J. H.
W. M.
W. M.
J. M.
G. W. L.
J. D.
J. M. T.
T. L. M. P.
J. M. W.
J. D.

Friday, 29th September 1871.

THE MEMORANDUM ON THE SUBJECT OF LORD KIMBERLEY'S DESPATCH AS
AGREED TO BY THE DELEGATES FROM NEW SOUTH WALES, TASMANIA,
AND SOUTH AUSTRALIA.

WE, the undersigned Delegates from the Governments of New South Wales, Tasmania, and South Australia, now assembled in Melbourne, having had under our consideration the despatch of Lord Kimberley, dated the 13th July, 1871, have agreed to a joint memorandum in reference to that despatch.

We are of opinion that the right of the Legislatures of these colonies to direct and control their fiscal policy as amongst themselves, without interference on the part of Her Majesty's Ministers in England, is a right which it is our duty to assert and maintain.

We desire that the connection between the mother country and her offspring in this part of the world should long continue; and we emphatically repudiate all sympathy with the views of those who, in the Imperial Parliament and elsewhere, have expressed a wish that the bonds which unite us should be severed.

As members of the British Empire, the relations of which with other countries are conducted by the Imperial Government, we deny that any treaty can be properly or constitutionally made which directly or indirectly treats these colonies as foreign communities.

With the internal arrangements of the empire, whether in its central or more remote localities, foreign countries can have no pretence to interfere, and stipulations respecting the trade of one part of the empire with another, whether by land or sea, are not stipulations which foreign governments ought to be allowed to become parties to in any way.

The article in the treaty with the Zollverein, to which Lord Kimberley refers, is, therefore, one from the obligations of which we should claim to be considered free, if it were interpreted so as to prevent these colonies from imposing differential duties, as between themselves and foreign countries.

By the agreement made between Victoria and New South Wales in 1867, free trade across or by way of the river Murray was established; and free trade between these colonies by sea, as well as by land, might at that time with equal propriety have been established had it been thought expedient.

Nothing that we are aware of has since occurred to call for or justify any interference with a similar arrangement between the same or other colonies.

It is of great importance that a cordial understanding should at all times prevail amongst these colonies, and to that end nothing can be more conducive than a free interchange of their products and manufactures as amongst themselves.

We all agree that efforts should be made in our respective Legislatures to provide, at as early a period as practicable, for this mutual freedom of trade; but we at the same time assert the right of the colonies we respectively represent to impose such duties on imports from other places, not being differential, as each colony may think fit.

In conclusion, we agree that copies of this memorandum shall be transmitted, through the Governors of our respective colonies, to the Secretary of State for the Colonies.

Signed at Melbourne this twenty-seventh day of September, A.D. 1871.

JAMES MARTIN, Attorney-General and Premier,	}	<i>New South Wales.</i>
GEO. W. LORD, Colonial Treasurer,		
JOSEPH DOCKER, Postmaster-General,		
J. M. WILSON, Colonial Secretary and Premier,	}	<i>Tasmania.</i>
JAMES DUNN, M.E.C.,		
JOHN HART, Treasurer and Premier,	}	<i>South Australia.</i>
WILLIAM MILNE, Chief Secretary,		
W. MORGAN, M.L.C.		

THE RESOLUTIONS IN REFERENCE TO INTERCOLONIAL TARIFFS AS
AGREED TO BY THE DELEGATES FROM NEW SOUTH WALES, TASMANIA,
SOUTH AUSTRALIA, AND VICTORIA.

THE Delegates from the Governments of New South Wales, Tasmania, South Australia, and Victoria, in Conference assembled, having had under their consideration Lord Kimberley's Circular Despatch of the 13th July, 1871, have unanimously adopted the following resolutions:—

- 1st. That the Australian Colonies claim to enter into arrangements with each other, through their respective Legislatures, so as to provide for the reciprocal admission of their respective products and manufactures, either duty free or on such terms as may be mutually agreed upon.
- 2nd. That no treaty entered into by the Imperial Government with any foreign power should in any way limit or impede the exercise of such right.
- 3rd. That Imperial interference with intercolonial fiscal legislation should finally and absolutely cease.
- 4th. That so much of any Act or Acts of the Imperial Parliament as may be considered to prohibit the full exercise of such right should be repealed.
- 5th. That these resolutions, together with a memorandum from each Government, or a joint memorandum from such Governments as prefer to adopt that method, shall be transmitted to the Secretary of State through the Governors of our colonies respectively.

Signed at Melbourne this 27th day of September A.D. 1871.

JAMES MARTIN, Attorney-General and Premier,	}	<i>New South Wales.</i>
GEO. W. LORD, Colonial Treasurer,		
JOSEPH DOCKER, Postmaster-General,		
J. M. WILSON, Colonial Secretary and Premier.	}	<i>Tasmania.</i>
JAMES DUNN, M.E.C.,		
JOHN HART, Treasurer and Premier,	}	<i>South Australia.</i>
WILLIAM MILNE, Chief Secretary,		
W. MORGAN, M.L.C.		
C. GAVAN DUFFY, Chief Secretary and Premier,	}	<i>Victoria.</i>
GRAHAM BERRY, Treasurer and Chief Commissioner of Customs,		

MINUTES IN REFERENCE TO THE BORDER DUTIES.

On the 19th day of September the delegates from Victoria, New South Wales, and South Australia entered upon the consideration of the Border question, and in the course of the discussion it was stated by the New South Wales delegates that they thought that their colony was entitled to at least £100,000 a year from Victoria and South Australia, in such proportions as might be agreed on, in consideration of that colony permitting free trade across or by way of the Murray; and it was stated by the Victorian delegates that they were not prepared to agree to any payment in consideration of such free trade greater than the amount (£60,000) paid to New South Wales at present.

On the 26th September the delegates from New South Wales handed to the delegates from Victoria the following memorandum:—

MEMORANDUM FROM THE DELEGATES FROM NEW SOUTH WALES.

The opinion expressed by Mr. Gavan Duffy and Mr. Graham Berry that our claim for an increased sum on account of Border Duties could not be assented to by Victoria having led us to believe that no agreement is likely to be entered into between Victoria and New South Wales on the question of the Border Duties, we have thought it advisable, in order to prevent misunderstanding hereafter, to put our views into writing.

We contend that New South Wales is clearly entitled to the duties on all the goods imported into it, which by its laws are liable to duty.

We admit, on the other hand, that Victoria is in like manner entitled to the duties on all goods imported into it, which, by its laws, are liable to duty.

If a greater quantity of such goods is imported into New South Wales from Victoria than is imported into Victoria from New South Wales, the difference ought unquestionably to be paid to New South Wales.

That difference, as a matter of course, will find its way into our Treasury in the event of our Customs officers on the Murray collecting the duties on imports across or by way of that river. In order, however, to prevent the great inconvenience that must arise from the actual collection of such duties, it is desirable that some arrangement should be made by which such balance may be fairly estimated for a limited number of years, and paid over to the colony entitled to it.

In arriving at such balance we think that it would be unfair, and therefore improper, for Victoria to take into account any imports from New South Wales on which duties are not now charged.

It has been suggested that Victoria may hereafter think it expedient to impose a tax upon the importation across the Murray of sheep, cattle, and wool, and that the large amount of duty that might be imposed upon such imports would so greatly exceed the amount of duties payable on goods imported from Victoria into New South Wales as to make the balance favorable to the former colony, and so entitle that colony to receive instead of making payments in consideration of free trade across the river.

We attach no importance to this suggestion, because we think it very unlikely that Victoria will, by taxing sheep, cattle, and wool, take a course which would be so very injurious to her interests. A large portion of the stock imported into Victoria from New South Wales is so imported from stations owned by residents in Victoria, and an enormous quantity of wool is transmitted from New South Wales through Victoria for shipment to other countries. With respect to the stock so imported any tax imposed upon it by Victoria would, we think, be paid by Victoria, because that Colony does not produce sufficient sheep and cattle for its own consumption, either as food, or for its growing manufacture of preserved meats.

With respect to the wool so imported, a tax upon that commodity would speedily cause it to be transmitted to other than Victorian ports for shipment to its ultimate destination.

Under these circumstances, we are under no apprehension whatever that the Victorian Legislature will take a course so manifestly injurious to the interests of their Colony as to impose a tax upon live stock or wool. Should the proposal be made, we should be compelled to regard it as one levelled in a hostile spirit against New South Wales only, and for the sole purpose of coercing us into the acceptance of a smaller payment in lieu of duties than we are fairly entitled to. We regard the arrangement which is about to expire as one which has been very advantageous to Victoria, inasmuch as under it that Colony has received a larger amount in duties on goods consumed in New South Wales than it has paid to that colony.

Since the making of that agreement the population of the southern and south-western portions of New South Wales has largely increased, and the partial and imperfect accounts kept by the officers at the custom-houses established on the Murray show conclusively that during the last five years the money which New South Wales ought to have received, after fairly striking the balance, has in each year considerably exceeded the sum paid.

Victoria is now constructing a line of railway to Albury, one of the objects of which is to secure for Victorian merchants a larger amount of the trade with New South Wales than they have hitherto enjoyed. As this increased trade will cause an increased quantity of dutiable goods to be sent from Victoria into New South Wales, it will fairly entitle that colony to demand a larger sum in consideration of its consenting to free trade across the Murray.

It is of course impossible accurately to estimate how much ought to be paid by Victoria for such freedom of trade either during the next or any of the following years, but we have good reasons for believing that for a period of five years a payment of £100,000 a year would be much less than the duties which New South Wales would, by actual collection, receive on the imports after deducting the duties on exports across or by way of the Murray.

In order, however, to prevent the great inconvenience that the actual collection of duties on that river would give rise to, we are willing to renew the agreement about to expire in consideration of the annual payment by Victoria and South Australia, in such proportions, or in such mode, as can be agreed upon by all three colonies, of the sum of £100,000, with a proviso that such agreement may be terminated after the expiration of twelve months by any one of the parties to it giving the others twelve months' notice of its intention to put an end to it.

If Victoria declines to enter into such an agreement, and forces New South Wales to re-establish its custom-houses along the borders, we shall deeply regret the taking of such a course; but we shall not the less feel it our duty to decline, at all hazards, to accept or agree to terms which will have the effect of withholding from us any large portion of the revenue which justly belongs to us.

For an agreement with Victoria we are willing to make all reasonable concessions, but we cannot concede anything which we regard as obviously unjust; and we should regard it as unjust to be called upon to give up our claim to any part of the duties belonging to us in consequence of a threatened taxation which could apply only to New South Wales.

Free trade across and by way of the Murray has now existed long enough to make the inhabitants on the borders of the two colonies forget that they live under different jurisdictions, and are ruled over by different Legislatures; and it would be a deplorable thing in our opinion if, in self-defence, we should be compelled, as we fear we may be, not only to collect duties, but to collect them at places which would restrict commercial intercourse between the two chief colonies of Australia within very narrow limits.

The determination announced by Mr. Gavan Duffy and Mr. Graham Berry not to consent, under any circumstances, to the payment of a larger sum annually than £60,000 for a renewal of the agreement in reference to the Border Duties, has induced us to take the step of submitting this memorandum.

We now submit it, with great regret, and under a feeling of disappointment, which will be shared in, not only by those whose interests are immediately at stake, but by all those who desire, as we most sincerely do, that the best of understandings should at all times exist between Victoria and New South Wales.

JAMES MARTIN,
GEO. W. LORD,
JOSEPH DOCKER.

Melbourne, 26th September 1871.

On the 29th September the delegates from Victoria proposed that, as there were no reliable statistics of the trade across the Murray, the present Border treaty should be continued till the end of the year 1872 (instead of terminating in February of that year), and that measures should be taken by the two colonies during the renewed arrangement to ascertain, with as much certainty as possible, the actual facts of the case as to the Border trade, with a view of making a permanent arrangement on the basis of such facts.

The delegates from New South Wales declined to agree to this proposal, on the ground that it would postpone unnecessarily the settlement of the Border question, and cause nearly as much inconvenience as the actual collection of duties, and withhold from New South Wales for a period of eleven months after the termination of the existing agreement a large sum which ought of right to be paid into its Treasury.

In the course of the discussion this day the delegates from South Australia stated their willingness to agree to pay a sixth of the whole amount to be paid to New South Wales for free trade across or by way of the Murray, in the event of any sum being agreed to.

On the 30th September the delegates from Victoria handed to the delegates from New South Wales the following memorandum:—

MEMORANDUM FROM THE DELEGATES OF VICTORIA.

On mature consideration we continue of opinion that the annual sum of £60,000 now paid on account of dutiable goods sent from this colony into Riverina is in excess of the amount to which New South Wales is fairly entitled; and that the claim made by the New South Wales delegates for payment of £100,000 annually as the basis of future arrangement cannot be justified by any ascertained fact or any legitimate inference.

In the absence of reliable statistics of the amount and value of the trade across and by way of the Murray, there remains the actual population of Riverina, as ascertained by the recent census, on which to base a proximate estimate. The population consists of 30,618 persons. The average proportion of customs revenue contributed by each unit of the population for the whole of New South Wales is £1 14s. 6½d. This scale would give a total customs revenue for Riverina of £53,000. The average in Victoria, per head, is £1 17s. 10d., on which basis the total customs revenue of Riverina would be £58,000. On the other hand, the £100,000 claimed by New South Wales is based on an average of £3 5s. for each unit of population. From which it must be inferred that the delegates believe a resident in Riverina consumes more than twice as much dutiable goods as a resident in other districts of the same colony.

Again, it must be remarked that by the recent Census the population of New South Wales is 501,000, and the population of Riverina is 30,000, being only one-seventeenth of the whole. The Customs Revenue of New South Wales is about £900,000, while the sum demanded from Victoria for her importations into Riverina is £100,000, being one-ninth of the whole Customs revenue of that colony, or within a fraction of double an equitable proportionate amount.

The returns of the imports from Victoria into Riverina are given in detail for the first time in the Blue Book of 1869, published by the Government of New South Wales, and amount to £531,158. The same authority, and for the same year, gives the value of imports from South Australia, by way of Wentworth and Euston, as £110,850. As the duty actually collected by South Australia, during the currency of the present treaty, will average about £8000 annually, and as the relative returns of the trade of the colonies of Victoria and South Australia with Riverina are, by the above returns, as 5 to 1, it would follow that £40,000 is about the probable amount of the Customs revenue on goods imported direct from Victoria across the Murray.

It must, however, be pointed out that the Customs Officers stationed at the Victorian Border townships agree in stating that the Statistics of New South Wales (admitted by the delegates to be "partial and imperfect") are, in fact, altogether unreliable for the following reasons:—

- 1st. It is admitted that the Statistics published by New South Wales are collected 'from carriers' way-bills and bills of lading for vessels, which only specify the number of packages. The weights and quantities are not given separately, but lumped; whilst goods subject to *ad valorem* duties have their value estimated arbitrarily by the officers.
- 2nd. Articles not subject to duty, such as lemon syrup, raspberry vinegar, and peppermint, manufactured in Melbourne, are described as cordials, which are subject to 10s. per gallon duty.
- 3rd. Goods sent under bond to Moama, Euston, and Wentworth are counted twice over in the statistics; and goods taken out of bond at Moama for consumption are again collected from carriers' way-bills, and all goods from Echuca to Euston and Wentworth are included in the statistics taken at Moama.

If the necessary deductions on these grounds were made from the above estimate of £40,000, it would be seriously diminished.

But there are further facts which need to be taken into account. Whilst the gross revenue to be derived from the consumption of dutiable goods in Riverina could, under no existing circumstances, reach the amount claimed by New South Wales from Victoria, there is a considerable contra account in favour of the latter colony. Advices have been received from various parts of the border of the considerable and increasing importation into Victoria of dutiable products. From Wahgunyah it is stated that last year over 20,000 gallons of wine were made in the immediate vicinity of that place, on the New South Wales side, and that the whole found a market in Victoria; passing into this colony under the Border Treaty duty free. It is admitted that the amount due to Victoria on account of dutiable products crossing the Murray for consumption in Victoria should be deducted from any amount estimated to be due to New South Wales, and on this score a further deduction must be made from the £40,000. It might be legitimately reduced also by the cost of collection, which is borne at present exclusively by Victoria, though it is plainly a charge against the Treasury into which the Customs duty finally goes.

Taking into consideration, therefore, every circumstance which will tend to throw light on the actual amount fairly due from Victoria to New South Wales, the conclusion is irresistible that the present subsidy of £60,000 is excessive, and that, whilst some inconvenience would undoubtedly result to the trading classes of Melbourne if provision is not made for a renewal of the existing treaty, more serious loss and inconvenience would fall upon the inhabitants of New South Wales.

Under these circumstances we can scarcely comprehend the purpose of New South Wales in this matter, and we are compelled to conclude that other motives than those which appear in this Conference must be in operation to account for demands being persisted in which it was absolutely certain Victoria could not assent to, and which were not supported by any documentary evidence or any reasonable deduction from the various approximate returns published by New South Wales and Victoria.

With respect to the written statement handed to us by the delegates, we desire to say that we do not deny that New South Wales is entitled to duties on all the goods imported into it which, by its laws, are subject to duty—less the cost of collection. On this principle, if the balance is in favor of New South Wales, after deducting the amount due to Victoria, we are willing to covenant to pay such ascertained balance.

In arriving at such balance, we do not propose to include in the claims of Victoria any imports from New South Wales on which duties are not now charged; on the contrary, we are willing to negotiate on the basis of the existing tariffs and trade.

It is true that Victoria may hereafter think it desirable to impose a tax upon sheep and cattle imported across the Murray, and, in that case, the amount of duty so imposed would probably equal, if it did not exceed, the amount of the balance at present in favour of New South Wales. The value of stock so imported annually amounts to nearly three-quarters of a million sterling; the returns of 1869 give 1939 horses, 54,136 cattle, 840,100 sheep. This consideration we submit should operate with New South Wales to secure, on fair and equitable terms, free trade across the Murray.

The policy of such a tax, or of a tax on wool during its transit to a port of shipment, are subjects which we must decline to discuss with New South Wales.

We regret that the delegates should consider it necessary to intimate that any possible action of the Victorian Parliament would be regarded as designedly hostile to New South Wales. We believe that no hostility whatever exists in the minds of any section of the population with respect to that colony.

If New South Wales declines to modify its untenable demands, and prefers to re-establish its custom-houses along the borders, we shall deeply regret so unwise a policy, but we must refuse to be coerced by suggested alternatives, which, if employed, would mainly, if not solely, injure the population of New South Wales. The natural course of the Riverina trade is to Victoria; and it will be the duty of the Government to facilitate its course by enabling merchants to carry their goods in bond to the border; the principal change therefore will probably be that New South Wales will have to collect, at inordinate cost and trouble, a revenue less in amount than she now receives in a lump sum from Victoria.

For a satisfactory treaty with New South Wales we are prepared to make all reasonable concessions, but we cannot consent to pay an excessive subsidy to secure an arrangement which, irrespective of any payment whatever, would prove primarily beneficial to that colony.

Whilst repudiating the implied threat of special taxation imputed to us, which was not a menace, but a necessary warning, we must at the same time call attention to the following minatory language employed by the delegates from New South Wales:—"It would be a deplorable thing, in our opinion, if in self-defence we should be compelled, as we fear we may be, not only to collect duties, but to collect them at places which would restrict commercial intercourse between the two chief colonies of Australia within very narrow limits." If they are so driven, they are driven by the determination to prosecute a demand in respect to which they have not attempted to satisfy us that it is reasonable or just.

Under these circumstances, we express our deep regret that the absence of reliable information, the refusal to postpone any new arrangement till such information was obtained, and the strangely exaggerated expectations of New South Wales, render a renewal of the treaty between the two colonies impossible at the present time. We would, however, venture to express the hope that the good understanding at present existing between the colonies will not be disturbed; and we are conscious that we have done nothing calculated to disturb it.

C. GAVAN DUFFY.
GRAHAM BERRY.

Melbourne, 30th September, 1871.

No. 40.

Government House, Tasmania, October 6th, 1871.

MY LORD,

I HAVE the honor to forward a Memorandum addressed to me by Mr. Wilson, the Colonial Secretary and Premier of this Colony, enclosing a printed copy of the Official Record of the proceedings of the Intercolonial Conference held last month at Melbourne, at which all the Colonies comprising the Australasian group were duly represented.

2. That portion of the proceedings of the Conference to which Mr. Wilson invites my special attention in his Memorandum,—viz. the “Memorandum” and “Resolutions” on the subject of your Lordship’s Circular Despatch of the 13th July, 1871,—deals with a question on which I have already stated my views in my Despatch of September 29th, forwarded by this mail *via* Brindisi.

3. The Memorandum which I enclosed in that Despatch was one expressing the views of the Government of Tasmania alone on the Reciprocity question. The “Memorandum” and “Resolutions” agreed to at the Conference may be taken when combined together as the united expression of opinion on the same subject of the Delegates of the Governments of the entire group of the Australasian Colonies save Queensland. The Delegates from this latter Colony were instructed to confine their labours to the Postal question only. Your Lordship will, however, observe that the tenor of the Memorandum and Resolutions thus agreed to at the Conference is identical, or nearly so, with that of the Memorandum forwarded by me from this Government only.

4. The decision arrived at by the Conference on the Postal question, which was the primary object of its being called together, will be found in the report enclosed, and at this stage of the proceedings does not appear to call for any remark.

I have, &c.,

(Signed) CHARLES DU CANE.

The Right Hon. the EARL of KIMBERLEY.

*Tasmania,
Colonial Secretary’s Office, 18th October, 1871.*

SIR,

HEREWITH I have the honor to transmit you a copy of the Report of the proceedings of an Intercolonial Conference held in Melbourne last month, at which Lord Kimberley’s Circular Despatch of the 13th July, 1870, was considered by the Delegates from the Governments of New South Wales, Tasmania, South Australia, and Victoria.

You will observe that the Resolutions on this subject, unanimously adopted by the Delegates from the Colonies just named, confirm and uphold the action already taken by the Governments of New South Wales, New Zealand, and Queensland in their joint Memorandum of the 6th January, 1870, by the Intercolonial Conference of last year, and by the Legislatures of New Zealand, South Australia, and Tasmania, in their Intercolonial Reciprocity Bills now awaiting the signification of Her Majesty’s pleasure.

I entertain no doubt that the Government of New Zealand, which has taken such an active share in the efforts already made for the removal of Imperial restrictions on the fiscal policy of the Australasian Colonies, will view with satisfaction this last step in the direction of Intercolonial Reciprocity, and will lose no available opportunity of impressing its views on this important question on the attention of Her Majesty’s Ministers in support of the action of the Melbourne Conference.

I have, &c.,

(Signed) JAMES MILNE WILSON.

The Hon. the Colonial Secretary, New Zealand.

APPENDIX.

(A.)

ANALYSIS.

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| <p>Title.</p> <p>1. Short Title.</p> <p>2. Interpretation "Australasian" Colonies.</p> <p>3. Governor in Council may declare any article the produce or manufacture of any of the Australasian Colonies free or not from duty.</p> | <p>4. Duty on articles declared not to be free.</p> <p>5. Governor in Council to make regulations to prevent fraud.</p> <p>6. Determination of agreement after notice given to be stipulated for.</p> <p>7. Orders in Council hereunder to be laid before Assembly.</p> <p>8. Reservation of Act.</p> |
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AN ACT respecting Reciprocity with the Australasian Colonies and Tasmania, as to Customs Duties. Title.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled and by the authority of the same as follows —

1. The Short Title of this Act shall be "The Colonial Reciprocity Act 1870." Short Title.

2. The term "Australasian Colonies" shall include the several Colonies of New South Wales Victoria South Australia Queensland Western Australia and Tasmania. Interpretation
"Australasian"
Colonies.

3. The Governor in Council may for the purpose of carrying out any agreement between the Government of New Zealand and the Government of any one or more of the Australasian Colonies from time to time declare that any article whatever not being spirituous liquors or any manufacture of tobacco when of the growth produce or manufacture of the Australasian Colonies the raw material of such manufactures being the produce of such Colonies or of any one or more of them is or is not admissible into New Zealand free from duty of Customs or is admissible at a rate of duty lower than the duty imposed on such article by any Act for the time being in force imposing duties of Customs and may from time to time declare under what circumstances conditions and regulations any such article is or is not so admissible into New Zealand Provided always that nothing herein contained shall have the effect of rendering any such article liable to duty in any case where without this enactment it would be free from duty. Governor in Council
may declare
any article the
produce or manu-
facture of any of the
Australasian Colonies
free or not from duty.

4. And if the Governor in Council at any time declares that any such article whatever is not or is not under certain circumstances admissible into New Zealand free of duty of Customs then the Customs duty on such article when it is not admissible free shall be that imposed on the like article by any Act for the time being in force Duty on articles
declared not to be
free.

imposing duties of Customs but if no Customs duty is so imposed then it shall be admitted free.

Governor in Council
to make regulations
to prevent fraud.

5. The importation of goods exempt from duty under this Act and all matters relating thereto shall be subject to such regulations as the Governor in Council shall make for the purpose of preventing fraud or abuse under pretext of such exemption nor shall such exemption prevent the forfeiture of such goods for any breach of the Custom laws or of any regulations lawfully made under them.

Determination of
agreement after
notice given to be
stipulated for.

6. No such declaration shall be made for the purpose of carrying out any agreement between the Government of New Zealand and the Government of any one or more of the Australasian Colonies unless in such agreement there be a stipulation that such agreement may be terminated by any or either of the parties thereto on notice of not exceeding six months being given to that effect to the other party or parties to such agreement in a manner to be provided therein.

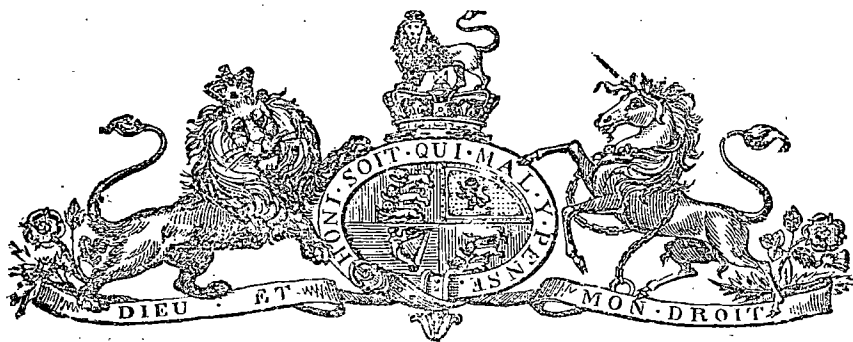
Orders in Council
hereunder to be laid
before Assembly.

7. Copies of all Orders in Council issued under the authority of this Act shall be laid before both Houses of the General Assembly within ten days from the date of such Orders or if the General Assembly be not then sitting then within ten days after the commencement of the Session then next ensuing.

Reservation of Act,

8. This Act shall not come into effect till after it has received Her Majesty's assent.

T A S M A N I A.



1 8 7 0.

ANNO TRICESIMO-QUARTO

VICTORIÆ REGINÆ,

No.

AN ACT to make better Provision for the
Interchange of Colonial Products and Manu-
factures between the Colonies of *Australasia*.

WHEREAS the free interchange between the Colonies of *New South Wales, Victoria, South Australia, Queensland, New Zealand,* and *Tasmania* of their respective products and manufactures is restricted by reason of the obligation which is now by Law imposed upon the said Colonies to subject such products and manufactures, upon admission into any of the said Colonies, to the same Duties of Customs as are imposed upon the like products and manufactures when the same are imported from other places : And whereas such restriction prejudicially affects the trade and commerce between the said Colonies, and it is desirable that such restriction should be removed or modified : And whereas it is necessary to this end that each of the said Colonies should be empowered to make arrangements with the others for the interchange of their respective products and manufactures on such terms as may be mutually agreed upon : Be it therefore enacted by His Excellency the Governor of *Tasmania*, by and with the advice and consent of the Legislative Council and House of Assembly, in Parliament assembled, as follows :—

1 The Governor, by and with the advice of the Executive Council, may enter into an Agreement with the Governors of the Colonies of *New South Wales, Victoria, South Australia, Queensland, and New Zealand*, or with any of them, for the admission into *Tasmania* of all or any of the products and manufactures (except Spirits and

Governor of *Tasmania* may enter into Agreements with other Colonies for admission of products, &c.

Tobacco) of the said Colonies, or of any of them, free from Customs Duty, Wharfage, or other charge, or at such reduced Duty and charges as the Governor in Council thinks fit: Provided that every Colony with whose Governor such Agreement shall be entered into shall agree to admit the products and manufactures of *Tasmania* or some of them (except Spirits and Tobacco) either free from all duties and charges, or at such reduced duties and charges as may be agreed upon.

Period of Agreement.

2 Any such Agreement may be entered into for a period not exceeding Ten years.

Agreements may be altered.

3 Every such Agreement may be altered or rescinded by the Governor in Council of *Tasmania*, with the consent of the Governor of every Colony who is a party to such Agreement, but not otherwise.

Proclamation of products, &c. exempted from Duty.

4 The Governor shall, by Proclamation to be published in the *Gazette*, declare and make known the products and manufactures which are under such Agreement exempted from Duty and charges or subjected to reduced Duty and charges as the case may be, and thereupon such products and manufactures may be imported free of Duty, Wharfage, or other charge, or subject to such reduced Duty or charge as is set forth in such Proclamation, so long as such Agreement as aforesaid continues in force.

Proclamation of alteration of Agreement.

5 Every alteration or rescission of any such Agreement shall be made known by Proclamation to be published in the *Gazette*.

Orders in Council for carrying Act into effect.

6 The Governor in Council may make Orders for carrying this Act into effect, and for determining what articles come within its provisions; and any such Orders may from time to time be altered or rescinded by the Governor in Council: Provided that all such Orders shall be published in the *Gazette*.

Short title.

7 This Act may be cited as "The Intercolonial Free Trade Act."