

The main business of the Conference was to consider the most effectual and economic method of establishing a fortnightly mail with Europe. Two routes have been agreed upon, the existing one by Suez and Brindisi, and a second through the United States. As the commercial and political interests of the United Kingdom would be promoted by these services in as great a degree as the corresponding interests of the Australian Colonies, it has been assumed that the Imperial Government will be willing to bear a moiety of the entire cost of both services. The negotiations which have already taken place between the Agents of certain of the Colonies and the Postmaster-General in London justify, I think, this assumption. The specific grounds, however, upon which the claim of the Colonies for co-operation and assistance in these undertakings is based will be brought under the attention of the Imperial Government anew by the two Colonies intrusted with the duty of transacting this business on behalf of the contracting Colonies, as soon as the sanction of the Colonial Legislatures has been obtained for the proposed routes.

In the meantime I have to request your Excellency to send a copy of the proceedings to the Postmaster-General in London, through the Secretary of State, that he may be acquainted with what has been done, and have an opportunity of considering whether he will be pleased to undertake, on behalf of the Imperial and Colonial Governments, the negotiations and arrangements specified in clauses 8 and 10 of the contract.

I have further to bring under your Excellency's notice resolutions unanimously adopted by the Conference—with the exception of the Delegates from Queensland, who were restricted to the consideration of the Postal question—with respect to the recent Despatch of the Secretary of State on the subject of "reciprocal tariff advantages."

I wish at the outset to acknowledge on the part of this Government the evident desire the Secretary of State exhibits to treat the wishes of the Colonies with respect and courtesy, and to find a method if possible compatible with political feeling at home to accomplish their wishes. We reciprocate this sentiment, and desire also to find a method of securing a necessary concession strictly compatible with our determination to maintain the closest and most affectionate relations with the mother country.

The Secretary of State intimates grave doubts whether the subject of Intercolonial Tariffs presses for immediate decision or action, and it was, I believe, this doubt which chiefly induced the Conference to come to an immediate and unanimous decision. The question certainly has passed from the stage in which it might be justly described as not yet urgent, when three of the Australian Colonies have passed Bills, and two Intercolonial Conferences in succession have adopted resolutions, with respect to it.

What the Australian Colonies claim to do, the Dominion of Canada and some neighbouring Colonies have already done; and we are unable to comprehend any peculiar claim the North American Colonies have to exercise powers which cannot be safely intrusted, or indeed can be legitimately denied, to the Colonies of Australia. The Secretary of State suggests that there were peculiar circumstances arising out of the expectation that a Federal Union between the Dominion and the Colonies which it favoured would soon be accomplished; but it is the desire of the leading statesmen of Australia to effect a federal union of these Colonies also, and the means that were considered effectual for that purpose in North America ought not, we submit, to be denied to us.

But, in truth, the right of establishing differential duties between the Colonies has been already exercised by the two principal Colonies of Australia. There is an agreement known as the Border Treaty, which has been in force for several years, by which the products of New South Wales pass into this Colony duty free—an advantage enjoyed by no other colony or country whatever. The right for which we contend, therefore, has been long in operation, not only in Canada, but in Australia.

The Secretary of State admits that there are no treaty obligations which fetter the discretion of the Imperial Government on this subject; and for our part, this Government do not understand how any treaty obligations with foreign countries can now, or hereafter, pretend to regulate the relations of two British Colonies any more than the relations between two counties of the United Kingdom.

The political difficulties which the Secretary of State suggests are no doubt entitled to consideration. A Bill to repeal the laws prohibiting the full exercise of Colonial rights would, he thinks, give rise to serious discussion in Parliament and elsewhere. But we believe a distinct statement of our claims will tend not only to facilitate their recognition but to remove these difficulties; and we are well aware that since colonies existed they have not obtained any concession that did not, in the first instance, raise serious discussion both in Parliament and the country.

The Secretary of State warns us against the impolicy of exercising the powers which we seek. We contend, with unfeigned respect for the Secretary of State, that this is a question which belongs solely to the Colonial Legislatures. No attempt can be more hopeless than to induce free self-governed States to adopt exactly the same opinion on such questions as free trade and protection which the people of England happen to entertain at that precise moment. They were protectionists when they thought it their interest to be protectionists, and they are free traders when they think it their interest to be traders; and in these respects small and large communities bear a close resemblance to each other.

I trust your Excellency will assure the Secretary of State that the desire to which he alludes of seeing the connection between the Colonies and the Mother Country maintained and strengthened is nowhere more active than in Victoria; but a people who have founded a great State, who have built great cities and established a commercial navy larger than that of many kingdoms in Europe, who have maintained order and protected property as strictly as they are maintained and protected in any part of the United Kingdom, and who have done these things without asking assistance from the Imperial Government, are naturally impatient of being treated as persons who cannot be intrusted to regulate their own affairs at their own discretion.

Government Offices, Melbourne, 7th October, 1871.

C. GAVAN DUFFY.