

Enclosure in No. 5.

MEMORANDUM for His Excellency the GOVERNOR.

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

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

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

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

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

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

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

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

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

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

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

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

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

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