

No Order in Council would, of course, be issued for this purpose except with the concurrence of the colonies sending representatives to the Federal Council. It has been questioned whether it would be constitutional and expedient for the Crown to delegate to the Council an unlimited power of dealing with the matters specified in subsections (a), (b), and (c) of this 15th clause, amongst other reasons because they are matters affecting, possibly to a considerable extent, the subjects of foreign Powers. It has not been thought necessary to exclude any of these matters from the jurisdiction of the Federal Council, but it will be desirable that all Bills dealing with any of them should be reserved for the signification of Her Majesty's pleasure, or the proposed Bills previously submitted for the consideration of Her Majesty's Government.

It is proposed to introduce into the 20th clause words making the legislation of the Council applicable to British ships sailing from or arriving in a British colony or possession.

In the 26th clause an important addition is suggested as to which it is desirable that I should learn the wishes of the Colonial Governments.

The draft Bill does not touch the question of the provision of funds for carrying out the action determined upon by the Federal Council in respect of any matter within its authority. If it were to be necessary to obtain from each separate Legislature a vote or an Act of Parliament whenever expenditure has to be provided for, much delay must ensue, and in the event of one or more Legislatures declining to vote the required proportion there would be serious financial complications. The subject appears to deserve careful consideration, and it has occurred to Her Majesty's Government that the colonies may prefer that any Bill of the Federal Council involving expenditure beyond a limited small amount should be reserved for the signification of Her Majesty's pleasure in order to afford an opportunity for considering such representations as any Colonial Government may desire to make upon it.

Lastly, a new clause is proposed to follow the 30th clause of the draft Bill in order to provide for the retirement from the Federal Council of any colony which may so determine. It appears right and reasonable that there should be this power of ceasing to take part in the Council, although I trust that it will not be exercised. In the case of a complete federal union there would be obvious and grave objections to the insertion of any clause to this effect, but as the present limited co-operation is of an experimental nature, and as it may hereafter be found that the proceedings and expenditure of the Council are connected to a greater extent than may be now foreseen, with subjects not directly concerning some one or more of the colonies, the decision to co-operate should not be irrevocable.

I have now noticed the principal alterations which the draft Bill seems to require, and I shall be glad to receive any observations which your Government may desire to make upon them at the earliest possible date, and, if practicable, by telegraph. I cannot, of course, bind Her Majesty's Government to adopt any suggestions that may be made, as it will be necessary for them to take that course which may be most in accordance with the wishes and interests of the colonies generally, but they will give the most careful consideration to the views of your Government, and I trust that it will be found practicable at an early period of next year to pass a satisfactory measure, and that before many months a Federal Council representing all the colonies which took part in framing the draft Bill at the Convention of Sydney will be in full operation.

I have, &c.,

Governor Sir W. F. D. Jervois, G.C.M.G., C.B., &c.

DERBY.

Enclosure.

AUSTRALASIAN FEDERAL COUNCIL DRAFT BILL.—SUGGESTIONS FOR REVISION OF DRAFT.

[NOTE.—The words in obliterated type are proposed to be omitted, those in italics are proposed to be inserted.]

A Bill intituled "An Act to constitute a Federal Council of Australasia."

WHEREAS it is expedient to constitute a Federal Council of Australasia, for the purpose of dealing with such matters of common Australasian interest, in respect to which united action is desirable, as can be dealt with without unduly interfering with the management of the internal affairs of the several colonies by their respective Legislatures: Be it enacted by the Queen's most Excellent