I fully agree that, if this measure had been intended, or could operate, to effect an actual confederation or union of any four or more colonies, it would have been undesirable to introduce into it any provision facilitating, or perhaps even suggesting, the disruption of such union; but, as the Colonial Constitutions remain unaffected, securing to each colony that self-government which it now enjoys independently of the other colonies, and as at any time it may become the wish of the majority of the colonies who have joined the Council to apply to themselves, through its agency, some legislation which may not be applicable or acceptable or one or more of their number, it appears reasonable that there should be left open a mode of retiring from the Council. I am happy to say that this view ultimately commended itself to the Governments of the four colonies which now desire the establishment of the Federal Council, and that, in order to remove the objections of the Government of New South Wales, they consented to the retention of the clause.

- 5. I need not say that I have given my full and anxious consideration to the objections expressed by the Government of New South Wales, and to the suggestions which they made for the amendment of the Bill in order to obviate those objections. They desired to amend the Bill so as to establish, although in a different way, the principle for which the Government of New Zealand had previously contended—namely, that the legislation of the Council should not be operative in, or in respect to, any colony without the express consent in each case of the Legislature of such colony. The Government of New Zealand had proposed that the legislation of the Federal Council should in each case be subsequently adopted by the Legislature of a colony before it could become operative therein; while the Government of New South Wales desired that the Council should not proceed to deal with many subjects unless the Legislatures of all the colonies represented in the Council had previously concurred in referring those matters to it.
- 6. I could not, as I have explained, adopt the amendments proposed on the part of New South Wales; but, believing as I do that it is of the greatest importance to Imperial as well as colonial interests that the Federal Council should have the cordial and active co-operation of both New South Wales and New Zealand, I sincerely trust that the Governments of those colonies will, after further examination of the question, be satisfied that there is no practical impediment in the way of their taking part in the Council.
- 7. The Federal Council will be of no less value as a deliberative than as a legislative body. Referring to the first of the subjects specified in section 15 of the Act, it is, I think, agreed that at no previous time have the interests of Great Britain and her colonies in the Pacific been of greater or of more pressing importance than at this moment; and, as the colonies have strongly urged, those interests cannot fail to be permanently affected by the policy and action of the present time. It must be probable that the consideration of the relations of this country and the colonies with the islands of the Pacific will be among the first subjects to which the Council, when constituted, will address itself. Her Majesty's Government would of course give their best attention to the separate recommendations of New Zealand or New South Wales on such a subject; but it is obvious, as my predecessor insisted with much force, that if the colonies, not having consulted and acted together, do not unite in their recommendations, the power of Her Majesty's Government to advance British interests must be greatly diminished.
- 8. There appears, however, to be no reason why any colony should apprehend that it would imperil to any material extent the independent action of its Legislature by consenting to be represented in the Federal Council. It is to be anticipated that there will be cases in which the subject of legislation or discussion in the Council may be of importance to some only of the colonies; as, for instance, if the matter should be one concerning those colonies only which have territory within the tropics, or one concerning those colonies only which are conterminous on the mainland of Australia. In such cases a colony not interested in, or objecting to, such discussion could direct its representatives to take no part in it; or, if the legislation adopted at the instance of some colonies should be inapplicable or objectionable to others, a provision could be enacted in the Act of