

effort was already made to carry out the policy indicated, and that where a colony or colonies were specially concerned it was the custom to invite them to be specially represented in the negotiations, and the following resolution, which was adopted by the Conference, gives formal expression to the practice which has been followed in recent years:—

“That, so far as may be consistent with the confidential negotiation of treaties with foreign Powers, the views of the colonies affected should be obtained, in order that they may be in a better position to give adhesion to such treaties.”

#### IMPERIAL COURT OF APPEAL.

The subject of an Imperial Court of Appeal was brought up by Sir E. Barton, with the view of ascertaining how far the other Prime Ministers were satisfied with the results of the special Conference on the question held in 1901, and on finding that there was general acquiescence in that result he did not pursue the matter.

#### COMMERCIAL RELATIONS.

Whilst the informal discussions on the subject of defence were proceeding, the Conference took up the consideration of the various matters grouped in the list of subjects proposed for discussion under the head of “Commercial Relations.”

In regard to this matter the policy of His Majesty's Government was declared in the speech of the Secretary of State at the Conference in 1897, and repeated in his opening statement already quoted. They are satisfied that a system of free-trade within the Empire, if it could be attained, would lead to the rapid and profitable exploitation of its boundless natural resources, and at the same time promote the natural and healthy growth and expansion of its manufacturing industries.

It would change the various parts from a series of commercial units to an organic whole, the strength and solidarity of which would grow in proportion with its commercial and industrial development, and would lead inevitably to that closer political union which is so generally desired.

At the last Conference, in 1897, the Prime Ministers passed two resolutions on this subject, the first urging the early denunciation of any treaties which hampered the commercial relations between Great Britain and the colonies, and the second undertaking to confer with their colleagues with the view of seeing whether an improvement of the trade relations between the Mother-country and the colonies could properly be secured by a preference given by the colonies to the products of the United Kingdom. Following on these resolutions His Majesty's Government at once denounced the treaties with Germany and Belgium; and the Dominion of Canada, which had given a tariff preference of 12½ per cent.—to be increased to 25 per cent. in 1898—to the products of the United Kingdom, offering a similar reduction to the products of any country where the Customs tariff on Canadian produce was as favourable as the Canadian tariff so reduced was to the products of such country, on the termination of the treaties confined this preference to the products and manufactures of the United Kingdom and certain British colonies. The preference was in 1900 increased to 33½ per cent. of the duty, and its results so far on the trade between the United Kingdom and Canada are fully discussed in the memoranda by the Board of Trade and the Dominion Minister of Customs which were laid before the Conference and copies of which are annexed (Appendices VIII. and IX.).

Notice of a motion on this subject had been given on behalf of the Government of New Zealand to the following effect:—

“That it is essential to the well-being of the Mother-country and His Majesty's dominions beyond the seas that, in such dominions where the same do not now exist, preferential tariffs by way of rebate of duties on British-manufactured goods carried in British-owned ships should be granted, and that in the Mother-country rebate of duty on colonial products now taxable should be conceded.”

The discussion revealed a very strong feeling amongst the Prime Ministers in favour of making some definite advance towards establishing closer trade relations between the Mother-country and the colonies. But the circumstances in the different colonies differed so widely that it was apparent that no arrangement applicable to all could be devised, and it was resolved accordingly that the several Prime Ministers should meet the President of the Board of Trade privately, with the view of considering such separate arrangements as would best meet the varying circumstances of the several colonies, and that when the result of these meetings was reported, the Conference should proceed to discuss the terms of a general resolution, embodying the principle of the arrangements arrived at.

The result of the informal meetings with the President of the Board of Trade are set forth in the following memorandum:—

#### MEMORANDUM BY THE PRESIDENT OF THE BOARD OF TRADE.

As a result of the communications which have taken place, it is understood that the representatives of the colonies hereinafter mentioned are prepared to recommend to their respective Parliaments preferential treatment of British goods on the following lines:—

Canada: The existing preference of 33½ per cent., and an additional preference on lists of selected articles—(a) by further reducing the duties in favour of the United Kingdom; (b) by raising the duties against foreign imports; (c) by imposing duties on certain foreign imports now on the free list.

Australia: Preferential treatment not yet defined as to nature or extent.

New Zealand: A general preference by 10 per cent. all-round reduction of the present duty on British-manufactured goods, or an equivalent in respect of lists of selected articles on