

our trade relations, say with Canada, to be extended, and from that Great Britain were excluded, it would, I think, be next to impossible to get its assent. If we are proposing to modify our tariff in order to extend our commercial relations we must of necessity pray the Government to put an end to the treaties which now give Belgium and Germany the right of coming in on the most-favoured clause if we include Great Britain. Without Great Britain being included I see no chance of inducing the Parliaments of Victoria or Tasmania to consent to such modification."

Without inferring that all the Colonies would endorse these statements, it was very manifest that a great desire was felt that the obstacles which at present stand in the way of including Great Britain should be removed.

The Canadian Government approached Her Majesty's Government in the same sense in 1892, but it was not then considered expedient to give a favourable reply. As, however, the abrogation of these clauses was again strongly pressed by the Conference, I feel bound to draw your Lordship's attention to the fact.

Her Majesty's Government will perhaps consider whether it would be possible, without denouncing the treaties, to induce the Belgian and German Governments to consent to the abrogation of the particular clauses specially referring to the British Colonies. It is hardly necessary to observe that these clauses are of a very unusual character; and with regard to the question of the consideration given for them, I may quote the words of the President: "There is nothing in either the German or Belgian treaties that gives any advantage to Great Britain or Canada over other countries * * We received no advantages from the treaties which exist at present over any other nation in the way of tariff in either of these countries."

On the other hand, these treaties deal with important subjects besides tariffs, and grant advantages of which Colonial equally with British traders can avail themselves. It may be as well to mention that up to 1880 the Colonies were usually included in the commercial engagements made by Her Majesty's Government with foreign countries. Since then a Colonial article has been inserted in such treaties stating that the stipulations are to apply to all the Colonies so far as the laws admit, except to India, Canada, Newfoundland, the Colonies of Australasia, the Cape and Natal, but providing that the treaty shall apply to any of these Colonies which may give notice for this purpose. It might be advisable that another article should be added, to enable any Colony to withdraw from the treaty at the date when it is terminable.

These two resolutions having dealt with the statutory and treaty difficulties standing in the way, the third resolution expressed the opinion of the Conference in favour of preferential arrangements (1) between Great Britain and her Colonies, and (2) pending such an event, between the Colonies *inter se*.

As has been remarked above, with reference to an earlier stage of the discussion, there was no general anticipation that under present conditions Great Britain would consent to put a tax on foreign produce in order to favour Colonial produce. The trade of Great Britain was acknowledged to be still increasing. It was indeed alleged that this increase is due solely to the Colonial trade; but Mr. Forrest corrected the statement by pointing out that the foreign trade of England has increased proportionately with the Colonial trade. Mr. Fitzgerald observed: "We know that in the