

various parts of the Empire. Whether the economic conditions will at some future time change, as was anticipated, is a question which need not be considered here, but no exception can be taken to the friendly and loyal spirit in which the whole subject was discussed.

The resolution that the South African Customs Union be considered as part of the territory capable of being brought within the scope of the contemplated trade arrangements was carried on the motion of Mr. Hofmeyer. The necessity, from his point of view, for this proviso arose from the fact that the Orange Free State, a foreign country, forms part of the South African Customs Union. This admission of a foreign country, by, so to speak, a side door to certain tariff advantages, is obviously a circumstance of additional complication.

Whilst, therefore, laying before your Lordship the views expressed and the resolutions passed, I feel unable to go further than to press earnestly the advisability of giving a favourable consideration to the unanimous request of the Conference for the removal of any restriction, treaty or statutory, which stand in the way of inter-colonial trade. The power to make fiscal arrangements *inter se* may or may not be largely used, but in granting it to her self-governing colonies Great Britain will be developing the policy long pursued of enabling them to make such use of their resources within the Empire as they think best; and experience has shown that this policy is the safest and the most satisfactory mode of promoting their advancement. It is hardly necessary to add that anything which contributes to this end is also beneficial to British commerce and capital.

498. II.—STEAMSHIP COMMUNICATION.

On the question of improved steamship communication the following resolutions were passed:—

(1.) "That the Conference expresses its cordial approval of the successful efforts put forth by Canada and New South Wales for the establishment of a regular monthly steamship service between Vancouver and Sydney. And affirms the advisability of a reasonable co-operation of all the Colonies in securing the improvement and permanence of the same;

(2.) "That the Conference learns with interest of the steps now being taken by Canada to secure a first-class mail passenger service with all the modern appliances for the storage and carrying of perishable goods across the Atlantic to Great Britain, and the large subsidy which she has offered to procure its establishment;

(3.) "That it regards such uninterrupted through line of swift and superior communication between Australasia and Great Britain as is above contemplated as of paramount importance to the development of inter-colonial trade and communication, and to the unity and stability of the Empire as a whole."

(4.) "That, as the Imperial post office contributes towards the cost of the mail service between England and Australia, via Brindisi or Naples, the sum of £95,000 per annum, while the sea postage amounts only to £3,000; and to the mail service between Vancouver and Japan and China, £45,000, less £7,300 charged against the admiralty; this Conference deems it but reasonable to respectfully ask that assistance be given by the Imperial Government to the proposed fast Atlantic and Pacific service; more particularly