

The only legislative obstacle to such arrangements as are contemplated by the resolutions is the clause in the Constitution Acts of the Australian Colonies prohibiting the imposition of differential duties. After full consideration Her Majesty's Government decided that, however much such duties might be inconsistent with the fiscal policy of this country, they should not, in so far as such duties can be imposed without breach of Her Majesty's Treaty obligations and without detriment to the unity of the empire, interfere with the discretion of the Colonies in the matter. Parliament has, therefore on the initiative of Her Majesty's Government, agreed to relieve the Australian Colonies of the special disabilities under which they were placed by the operation of their Constitution Acts, and, in consequence, has passed the Act of which copies are inclosed,* repealing the provisions referred to, and that Act has now received Her Majesty's assent.

33. In the case of the Colonies of New South Wales and Victoria, section 45 of the Constitution Act of the former and section 43 of the Constitution Act of the latter also prohibit the imposition of differential duties, but as the repeal of these provisions is now a matter within the competence of the local legislatures, Her Majesty's Government leave it to them to take the necessary action.

34. While, however, Parliament has thus removed all legislative restrictions on the Colonies, so far as Imperial legislation is concerned, it will be necessary, in order that Her Majesty's Government may be in a position to give effect to their responsibility for the international obligations of the Empire, and for the protection of its general interests, that any Bill passed by a Colonial Legislature providing for the imposition of differential duties should be reserved for the signification of Her Majesty's pleasure, so as to allow full opportunity for its consideration from these points of view.

35. For this reason and in order to prevent inconvenience it will be desirable, if such duties are included in a General Tariff Bill, that a proviso should be added that they are not to come into force until Her Majesty's pleasure has been signified.

36. I may here point out that any Act such as that passed by the Legislature of New Zealand in 1870, which proposed to enable the Governor of the Colony in Council to suspend or modify any of the duties imposed by the Customs Duties Acts of the Colony, in accordance with any inter-colonial agreement, besides being open to grave objection on constitutional grounds, would deprive Her Majesty's Government of any opportunity of considering such agreements, and unless, therefore, the articles to which the power should apply and the extent to which remission might be granted were specified, Her Majesty's Government would have grave doubts as to the propriety of advising Her Majesty to assent to such an Act. They trust, therefore, that the colonial legislatures will not seek to divest themselves in any measure of their power to fix the amount of their taxation, nor to confer on the Executive a power the exercise of which without the fullest deliberation might inadvertently give rise to serious complications not only with other colonies but with foreign powers.

37. The second resolution states: "That this Conference is of opinion that any provisions in existing treaties between Great Britain and any foreign power, which prevent the self-governing dependencies of the Empire

*Australian Colonial Duties Act, 1895, 58-59 Victoria, Chapter 3.