

without infringing the particular articles in question, and further that the British Colonies could also grant preferential treatment to each other without infringing them as they are interpreted by Her Majesty's Government. The only point, therefore, which remains for consideration is, whether the advantages to be derived from permitting the United Kingdom to enjoy preferential treatment in the British Colonies is sufficient to outweigh the disadvantages to the Empire of the denunciation of the entire Belgian and Zollverein Treaties.

49. The following figures may serve to indicate generally how the interests of the United Kingdom are affected :—

The annual value of the exports from the United Kingdom, according to the Statistical Abstract, may be roughly estimated as having been in 1893 :

To Germany. ....	£28,000,000
To Belgium.....	13,000,000
Total.....	<u>£41,000,000</u>

The value of exports from the United Kingdom to all the self-governing colonies for the same year may be roughly estimated at £35,000,000 (India not included).

The comparison would not be quite the same if account were taken of the exports of British and Irish produce only. Here it would seem that the exports from the United Kingdom to British self-governing colonies exceed the exports to Belgium and Germany. The self-governing colonies, moreover, being geographically distant, the exports to them give proportionately more employment to shipping than do exports to adjacent countries like Belgium and Germany. But the exports to Belgium and Germany are undoubtedly important in themselves.

50. The denunciation of the treaties with Belgium and Germany would thus expose the trade of the United Kingdom to some risks, and might possibly be followed by a loss of some part of the export trade to those countries ; probably of some portion of it, which consists in the distribution of foreign and colonial produce. With the denunciation of the treaties, the commerce of the Empire with these countries would have to be carried on under fiscal conditions subject to constant changes and fluctuations, or at all events, without that permanence and security which is of primary importance to successful and profitable interchange. It would be extremely difficult, in existing circumstances, to negotiate new treaties of a satisfactory character at an early date, and the loss which might in the meantime result to a trade of forty-one millions sterling would, perhaps, prove to be irreparable. On the other hand, no scheme has been proposed which foreshadows any precise advantages to be secured to the export trade, amounting to thirty-five millions sterling, from the United Kingdom to the British Colonies in the event of the termination of these treaties.

51. I may further observe that the self-governing colonies themselves would lose any advantage they now derive from their inclusion in the German and Belgian treaties ; since, if those treaties were denounced, both countries would, in view of the circumstances attending the passing of the resolution of the Colonial Conference and in view of the high tariffs existing in many of the Colonies, no doubt decline to include the British Colonies in