

Upon this condition, my Lords, remark that "more than this they do not think such colonies could themselves desire, except from a wish to afford protection to each other's productions, an object which Her Majesty's Government cannot be expected to promote."

The undersigned respectfully submits that the condition proposed by my Lords is inconsistent with the state of facts which is admitted by their report to exist—and being calculated absolutely to defeat the object, becomes thereby opposed to the development of Free Trade, which Her Majesty's Government desire to establish as the commercial policy of the Empire. This state of facts, and the conclusion drawn from them, must either harmonize, or the conclusion must be erroneous, which is believed to be the present case, and the undersigned states with great deference that he believes it arises from my Lords having given too contracted a view to the principle of Free Trade.

My Lords state "the fundamental principle of the policy of Free Trade is that no Duty of Customs shall be imposed, except for the purpose of revenue"—and they deduce therefrom—"To give effect to this principle it is necessary either to levy import duties upon those articles *alone* which are not produced in the importing country, or to place an Excise or Internal Duty equal in its amount to the Import Duty upon those articles which are produced both at home and abroad."

The principle thus laid down and the deduction from it, do not, it is contended, embody Free Trade, but are only the application of it so as to suit the peculiar fiscal position of the British Islands. Free Trade has a much wider significance and requires the removal of all artificial burthens upon Trade. It cannot for a moment be argued that under the principle laid down by my Lords, there is Free Trade between Great Britain and America, while enormous duties are levied upon tobacco, or with China, while five millions of revenue are derived from tea. In both cases the removal of the duty would vastly increase the consumption in the British Isles, and would stimulate Trade with these countries, while equally would the removal of their duties upon British goods, increase the export to buy tobacco and tea. It is therefore argued by the undersigned that the principle of Free Trade as stated by my Lords applies only to the distribution of taxation in the most equitable manner over the people, that it is necessarily subject to various modifications in its application, and that in relation to the colonies, Imperial policy ought not to be governed by one rule of economical science, but should be based upon wider and more general views, having regard not only to their individual welfare, but also to their future as outlying portions of Empire, strengthening Great Britain in proportion to their strength, and weakening her in proportion as they are themselves weak and divided.

The undersigned has already ventured to state, as his understanding of Free Trade, that it is the unrestricted interchange of the labor, skill and capital of mankind. The circumstances of the world and the jealousies of nations will probably for ever prevent its universal adoption, but an approximation should be sought wherever practicable, and plainly it can be more readily attained between subjects of the same Empire than between foreigners, while it is also subject to interruption from war or a change of national policy; my Lords themselves admit that it would be very desirable to have one common Tariff and commercial system for the whole British Empire, they regret that the diversity of soil, climate, population and wealth appear to forbid this hope, but they state that the dependencies of the Empire may be capable of being so grouped as to permit the application of the principle advantageously to them.

This is precisely the object sought by the Canadian Government, they desire to bring the North American Provinces under one system—to remove all restrictions on trade—to exchange the fish and coal of one province for the breadstuff and timber of another—and to carry out the true principle of Free Trade as fully as possible within their own jurisdiction.

The Canadian Government go further, and believe that were the principle once fairly at work here, the same system might be applied in the other Colonies, that instead of fifty different tariffs and commercial systems under the British Crown, they might easily be reduced to five or six. That it would then be infinitely more easy than at present to harmonize them with each other, and with that of the Mother Country, and while the financial requirements of the several portions of the Empire, might yet render import duties necessary, they could be so arranged as to press most lightly upon the general resources and industry of the whole people.

My Lords propose to attach a condition to the adoption of this policy by the North American Colonies—which wholly forbids its acceptance. We are willing to admit the produce and manufactures of each other, but we do not choose to place