

	Proceeds of An and valo rem duty of 11.1 p.c. on foreign impts.	Amount of Customs duties now raised.
In Great Britain and Ireland .....	£31,808,826	£10,827,000
In India, Ceylon, Straits Settlements, Labuan and Mauritius .....	2,701,407	3,427,391
In Canada and New- foundland .....	1,413,696	4,130,773
In Australasia .....	749,361	7,222,054
In West Indies, Hon- duras and British Guiana ..	355,806	949,115
In Africa ..	117,771	1,475,230
In Gibraltar, Malta, Falkland and the Falkland Islands ..	17,094	157,711
	£37,104,021	£37,180,271

A glance at this statement shows that a change from the present system of levying customs duties to one of internal free trade, with an outward Imperial tariff of 11.1 per cent., would occasion an increase in the amount raised in Great Britain of 37 per cent., but that, in the case of the colonies and dependencies, the following immense losses of revenue from customs would be sustained:

	Per Cent.
In India, etc. ....	21
In Canada, etc. ....	65
In Australasia .....	80
In West Indies, etc. ....	62
In Africa .....	92
In Gibraltar, etc. ....	80

To make up these losses by a resort to direct taxation would be a course utterly impossible for any colonial statesman, and, in Canada, it would be one of doubtful legality. It might be claimed that Great Britain would make up the deficiencies out of her increased revenue from customs, but this course would no doubt be deemed as impracticable as any other.

From the foregoing it seems plain that inter-British free trade would utterly derange the finances of all the possessions. Indeed, it might be argued that demanding it would be an interference "with the existing rights of local parliaments, as regards local affairs." It follows that the management of the various British tariffs, however chaotic and void of principle they may appear, must be left to the authorities at present in charge of them, and any suggestion for modifying them must be made with the greatest care, and with due consideration for the financial necessities of each separate possession. In the proceedings of the first Colonial Conference this was fully recognized and at the same time

the policy of discrimination in favor of British commerce was discussed. On the latter point, Mr. Service (from Victoria) expressed himself as follows:

"I must say that whilst the question of a common tariff throughout the whole Empire has been mooted again and again, it has always seemed to me impossible, probably because I did not think it out. I knew it was impossible for the Australian colonies, for example, or Canada, to accept the principle of commercial intercourse which exists in England. But I must confess that a remark that fell from Sir Samuel Griffiths awakened a new set of ideas in my mind; and that was, 'that it was not necessary that all the component parts of the Empire should have the same tariff in order to carry out this idea—that is to say, 'that if you placed a differential duty as between the Imperial products and the foreign products, it would not matter what the precise local tariff happened to be.' I never looked at the matter in that light before, but I have thought about it a good deal since, and I must say it appears to me at present that there is a good deal in that point." Sir Samuel Griffiths, from Queensland, in his letter of March 28, 1887, to the Secretary of State for the Colonies, wrote on the same subject as follows:

"I hope that an opportunity may arise during the conference of discussing the practicability of consolidating and maintaining the unity of the Empire by adding to the existing bonds a definite recognition of the principle that Her Majesty's subjects, as such, have a community of material interests as distinguished from the rest of the world; and of considering how far effect may be given to this principle by the several countries forming part of Her Majesty's dominions affording to each other commercial concessions and advantages greater than those which are granted to subjects of other states. Without for a moment suggesting any interference with the freedom of each legislature to deal with the tariff of the country under its jurisdiction, I conceive that such freedom is not incompatible with a general recognition of the principle, that when any article is subjected to a duty on importation a higher duty should be imposed on goods coming from foreign countries than on those imported from Her Majesty's dominions."

The same policy was endorsed by the general committee of the Imperial Federation League in Canada, at a meeting held at

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