

From the time of the first Colonial Conference in 1887 the notion of a Customs Union has been before the minds of Federationists, though at that date it seemed outside practical politics. Lord Salisbury in 1887 recognised that an effective Customs Union was precluded by our Free Trade policy. His words are worthy of citation :

" I fear that we must for the present put in the distant and shadowy portion of our task, and not in the practical part of it, any hope of establishing a Customs Union among the various parts of our Empire. I do not think that in the nature of things it is impossible; I do not think that the mere fact that we are separated by the sea renders it impossible. . . . But the resolutions which were come to in respect of our fiscal policy forty years ago set any such possibility entirely aside, and it cannot be now resumed until on one side or the other very different notions with regard to fiscal policy prevail from those which prevail at the present moment."*

The first active steps towards the realisation of what appeared to Lord Salisbury in 1887 impracticable took place at the Colonial Conference at Ottawa in 1899, when three resolutions were passed dealing with trade relations in the Empire. The first two had for their object the repeal of legislation and of treaty stipulations precluding the realisation of the policy embodied in the third resolution, the gist of which was contained in the following two clauses :—

" That this Conference records its belief in the advisability of a Customs arrangement between Great Britain and her Colonies by which trade within the Empire may be placed on a more favourable footing than that which is carried on with foreign countries."

" That until the Mother Country can see her way to enter into Customs arrangements with her Colonies, it is desirable that, when empowered so to do, the Colonies of Great Britain, or such of them as may be disposed to accede to this view, take steps to place each other's products, in whole or in part, on a more