

local industries. In the meantime, the Government propose to admit many articles duty free, so as to assist local manufactures as much as possible.

But, Sir, before making any remarks with respect to the articles upon which new or increased duty is to be charged, it will be better to say a few words upon a question which has been much discussed—the duties upon tea and sugar. Upon these articles we do not propose to reimpose the duties remitted last year, but it may be necessary to reimpose them next year upon a general revision of taxation.

The articles upon which we propose to increase or impose duties are:—Almonds and Nuts, Chaff, Corks, Dried Fruits, Fresh Fruit other than oranges and lemons, Window-glass, Grain and Flour, Malt, Split Peas, Hops, Iron Fencing, Tanks, Matches and Vestas, Preserved Milk, Nails, Perfumery, Patent Medicines, Timber, Salt, Stearine, Spirits, Tobacco and Cigars, Wine, and all goods at present charged with *ad valorem* duty.

The particulars of the duties proposed to be levied on these articles will be found in Table G appended. The total amount they are estimated to produce is about £300,000.

We propose, as will be seen, to reimpose the duties on timber and grain. We think experience has shown that their repeal has very injuriously affected the local shipping trade, and also the timber industry, which was a growing and important one, and which we are certainly not justified in seriously crippling without some compensating advantage to the State, but which we altogether fail to see has followed the repeal of these duties.

We propose to increase the duties on spirits and on tobacco.

With regard to spirits, we shall ask for an increased duty of 2s. per gallon, granting at the same time an allowance for such as are under proof the same as is now charged upon spirits over proof. This mode of levying the duty is, I believe, the custom in almost every other country. To make up the loss to the revenue which will result from this allowance for spirits under proof will require an addition of at least 6d. a gallon, so that the proposed increase is really only 1s. 6d. per gallon, or in the whole, £47,000; giving a total on spirits, wine, &c., of £56,000.

We propose to increase the tobacco duty by 1s. per pound, and to authorize its manufacture in bond, granting as an encouragement to its local manufacture a bonus, for the next two years only, of 6d. in the pound upon the quantity of tobacco manufactured and duty paid in the colony. The increase on this item is estimated at £50,000.

From spirits, wines, &c., and tobacco, including cigars and snuff, I hope, then, to obtain £106,000. I am aware that in increasing these duties some risk is run of inducing illicit distillation and smuggling—there is always, as every one is aware, a danger and possibility of this when duties are increased—and the Government are by no means certain that in consequence of the increased duties the revenue may not be defrauded in the manner mentioned, but they do not think this will occur to any large extent, and they believe, looking at our requirements, that upon no articles included in the tariff would Parliament approve of increased duties so readily as upon spirits and tobacco. Nothing but our own experience can tell us when we have reached the maximum duty which these articles will bear without loss to the revenue.

But, Sir, before proceeding to state what further burdens it is necessary to impose, it will be convenient here to state what relief can be afforded in the way of remission of duties. It is proposed to remit the duties on Carriage Makers' and Saddlers' Ironmongery, Carriage Makers' Leather, Buggy Shafts, Bent Carriage Timber, Hickory, Hatters' materials, fine Wire for brush-making, Sheet Zinc, plain Galvanized Sheet-iron, Sulphate of Soda, Almonds—such as are used in confectionery, Phosphorus, and Oil of Rhodium. These remissions amount to £15,000; and it is hoped that, with these alterations, and, by the aid of further reductions which are in contemplation, local industries will be placed in a more advantageous position than at present.

The Government also, Sir, propose to abolish all light dues for vessels employed in the coasting trade. This, it is also hoped, will give material assistance to that important branch of our industries, the local shipping trade. I hope, Sir,