

influence the success of the fruit-preserving industry, which at present exists, and will become important if our manufacturers are able to compete with those of other countries. I should not omit mentioning that a reduction of duty would be a direct relief to the beer-drinkers and the brewers, whose responsibility to the Treasury I shall refer to presently. But, Sir, sugar is one of the common commodities of life, an article of food necessary to the comfort and happiness of all; and the Government have had no difficulty in deciding as to what should be done in this matter. The duty on sugar is now a penny per lb., and we propose to reduce it to a halfpenny. The estimated revenue from sugar this year is £137,000, and the relief to the consumer under our proposal will be £68,500. We estimate the increased consumption will reduce somewhat the loss to the revenue on this item, but the effect will probably not be great during the present year.

WINE.

The duty on Australian wine we also propose to revise. Before the year 1873, memoranda were sent home from this colony to the Secretary of State urging the right of our Legislature to establish differential duties on articles the products of the Australasian colonies. Honorable members will recollect that the question was urged with more than usual energy, indicating that the matter was thought to be one of some importance to the colony. The result of the correspondence was that, in 1873, the Imperial Legislature passed the Australian Colonies Duties Act, which enabled any or all of the Australian Colonies to establish with each other, and with New Zealand, differential duties applicable to their natural productions. But strange to say, no action up to the present has been taken by this colony to give effect to a system about which, at one time, it displayed unusual earnestness; yet it has appeared to the Government that the reasons for a reduction of the duty on Australian wine are as strong to-day as they appeared in 1871. The quantity of Australian wine imported into the colony in the year 1877 was 12,075 gallons, yielding in duty at 4s. a gallon £2,415. The amount of the duty is almost prohibitive; and its reduction on this article would, from the stimulus given to increased consumption, probably not entail a loss to the revenue. We propose this year to reduce the duty to 2s. a gallon, estimating the same amount of revenue as when the duty stood at the higher rate.

The Government are not without hope that the reduction of duty on Australian wine will tend to promote a spirit of reciprocity in the sister colonies towards New Zealand, and that some of the duties which prevent the development of trade and limit the export of our productions thither, will be reduced or abolished. We believe that this will be the case at least with New South Wales, whose Postmaster-General recently paid a visit to our shores, and whose desire to see established a closer commercial alliance and a more friendly intercourse between the two colonies, was earnestly expressed.

I have now to deal briefly with another article of the same class. If it be true that duties should bear some proportion to value, and that luxuries should be taxed higher than articles of general consumption, the Committee will, I trust, concur in the equal justice of increasing the duty on sparkling wines from 4s. to 6s. a gallon. This duty is that fixed in most of the Australian colonies, and is a reasonable demand on those who will pay it. As there is not likely to be a decline in the quantity consumed, we expect £1,300 additional from this source, or a total revenue from this description of wine of £3,900.

To sum up the effect of these changes,—we propose to abolish altogether the duties on a great number of the conveniences and necessaries of life, with a loss to the revenue, and a gain to the consumer, of £19,726. The remission of 2d. a pound on Tea is £28,000; and the reduction in the Sugar Duty from 1d. to $\frac{1}{2}$ d. a pound will benefit the consumer to the extent of £68,500. The remission on Australian Wine is £1,207, the amount being recovered to the revenue from the increased consumption. The total amount of taxation thus remitted is £117,433, or, in round numbers, £117,000. As I have shown to the Committee, nearly the whole of this taxation is taken off those commodities which are consumed principally by the great body of the people; or, as in some cases, a number of articles which yield hardly any revenue is struck off, with the object of simplifying the tariff.