

fostering should be direct in character by bonus. But, with regard to industries generally, the question with those who pursue them should be, are they calculated, when the initial difficulties are overcome, to stand on their own merits, and defy competition? As I have said, we hold that, in the natural and logical course of things, every import should be subject to a reasonable duty to represent a contribution to the expense of the Government, of the machinery of which the importers take advantage. But, beyond that, the Customs are a convenient mode of taxation, cheaply collected, calculated to affect people otherwise free from taxation, and moreover much depending on the voluntary contribution of the consumers who elect to use imported goods. It is not in the probable nature of events that for a long period the colony should escape from the necessity of raising a large Customs revenue, and, in fixing the particular items, whilst, having first a regard for revenue requirements, we think it quite desirable to have a consideration for the occupations of those who may be striving to surmount the difficulties attending the earlier stages of industries.

But I distinctly state that the primary object of the Customs is revenue; that the tariff should be entirely within the control of Parliament (unless, as in the case of beet-sugar, a distinct contract is registered); and that Parliament, in dealing with the tariff from time to time, should not be fettered with implied engagements of an indirect character. I say to the manufacturers throughout the country that they will be unwise if they invest large sums in industries under the idea that these will be continually bolstered up by tariff arrangements. They may reasonably exercise their judgment as to the probable duration of the duties which at the outset will assist them. But their calculations should be made on the presumption that their industries, within a reasonable period, can defy competition elsewhere, and, even beyond this, that there is fairly a prospect of their being able to supply outside markets. The islands and other countries accessible to New Zealand open good prospects of an exterior market, and I am convinced there are numerous industries of a substantial character that can be carried on in New Zealand with a reasonable prospect of defying outside competition, and of supplying, in the face of competition, other countries. We shall ask for a revision of the tariff, because the present one is too complicated, and has lost, besides, its elastic character. One word more, we believe the Government, whenever it can prudently do so, should encourage local in preference to outside production. It should do so in the interests of economy, that is to say, in the prospect that the local producer will be able to supply it in the end much more cheaply and satisfactorily. In order to remove the misconception as to competing value which now surrounds all Government imports, we shall propose that Government imports shall not be free from Customs duties, nor from reasonable wharfage charges.

Without going at length into the nature of the new tariff, I may say it is framed on the principle of yielding revenue and in the interest of simplicity. We make as few distinctions as possible; the free entries are enumerated, and the articles not enumerated are subject to a 10 per cent. duty. We slightly increase the duty on spirits, we put a duty on foreign coal, and an extra duty on tea, but we do not increase the duty on sugar. It is so useful for purposes of fruit-preserving and making jams and preserves, that I should have been glad to reduce the duty on it. Other changes I need not now refer to. On the whole the tariff is calculated to do no more than restore the diminished power of the alcoholic duties and of those with which local industries have interfered. We have thus a sure guarantee that it comes upon a population ready to meet it. Its effects on the people will be less harsh than the tariff of 1882.

The question of direct and semi-direct taxation next calls for consideration. With regard to the latter—the stamp duties—we think they require revision, for increase in one important respect, but principally with the view of surmounting the cleverness of those who under present circumstances manage to evade them. The succession duties are altogether inadequate. They are much less than in Great Britain, and it cannot be alleged that in that country there is an undue want of consideration for the possessors of property. We have also