

gunpowder. I have already given the reasons for not raising the duty on sugar. With regard to coffee and cocoa, the duty is already high; and with reference to firearms and gunpowder, the considerations against an increase were, first, that under the present circumstances of the Colony, the sale is almost prohibited, and therefore no increase of revenue could be anticipated from an increase of duty; and second, that even if an increase could have been anticipated, yet that it would have been imprudent to have offered the smallest additional temptation to introduce these articles into the Colony clandestinely.

I now pass on to a comparison of our proposed tariff with those of the several Australian Colonies from which it will appear that whilst the tariff of Victoria is the lightest, and that of Tasmania the heaviest, yet that the proposed New Zealand tariff cannot be regarded from an inter-colonial view as excessive.

|                     | Proposed New Zealand Rates.           | Victoria.   | N. S. Wales.                          | South Australia.                      | Tasmania.                             |
|---------------------|---------------------------------------|-------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Spirits .....       | 12s. Ɔ gallon                         | 10s. Ɔ gal. | 10s. Ɔ gal.                           | 10s. Ɔ gal.                           | 12s. Ɔ gal.                           |
| Cigars and Snuff... | 4s. 6d. Ɔ lb.                         | 3s. Ɔ lb.   | 5s. Ɔ lb.                             | 4s. Ɔ lb.                             | 4s. per lb.                           |
| Tobacco .....       | 2s. 6d. Ɔ lb.                         | 2s. Ɔ lb.   | manuf'd 2s. 6d.<br>unmanf'd 1s. 3d.   | 1s. 6d. Ɔ lb.                         | 2s. 6d. per lb.                       |
| Wine .....          | 4s. Ɔ gal. in wood<br>5s. " in bottle | 2s. Ɔ gal.  | 3s. Ɔ gal. in wood<br>5s. " in bottle | 2s. Ɔ gal. in wood<br>3s. " in bottle | 2s. Ɔ gal. in wood<br>4s. " in bottle |
| Ale .....           | 9d. " in wood<br>1s. 6d. " in bottle  | 6d. Ɔ gal.  | 6d. Ɔ gallon                          | 6d. " in wood<br>1s. Ɔ doz. in bottle | 6d. " in wood<br>2s. Ɔ doz. in bottle |
| Tea .....           | 6d. Ɔ lb.                             | 6d. Ɔ lb.   | 3d. Ɔ lb.                             | 3d. Ɔ lb.                             | 6d. per lb.                           |

It is probable that many objections will be raised against an increase of the tariff, even by those who are prepared to admit the necessity of increased taxation; and there are no doubt many plausible substitutes, (I will not say nostrums, for I do not wish to speak disrespectfully of them,) such as the establishment of Post Office, Savings' Banks, stamps on Bankers' cheques and receipts, and other modes of direct taxation which might have been proposed in lieu of an increase of the Customs duties. But without entering upon the question whether the time may or may not be at hand when proposals of this kind will have to be considered, my simple reply is, "all these schemes require time to mature; our case is urgent."

Whilst I so strongly insist on the necessity of this additional taxation by raising the tariff, I also anticipate that a considerable increase to the Customs revenue may be secured by establishing an efficient inspectorship of Customs, which I believe to be very much needed. I carefully guard myself, however, from being supposed to rely on these measures, as sufficient of themselves to restore our finances. I say plainly, that, unless there be retrenchment of that extraordinary war expenditure which is now becoming chronic in this province, to the extent of nearly £50,000 a month, I do not pretend to promise that the remedies I have proposed this evening will be effectual. But if the men of the Waikato regiments be promptly located on their land; if land be provided for the immediate location of those numerous immigrants who are in course of being landed at Auckland, so as to shorten the period during which they are maintained by the Colony; and if sales be made to a moderate amount of conquered land, to assist in recouping to the Colony a portion of the heavy expenditure it has incurred,—then, Sir, I have no hesitation in saying that the proposals I have made will be eventually sufficient.

Before closing my subject, I briefly review the bearings of the entire transaction:—

|   |                 |
|---|-----------------|
| Interest on One Million, already raised (viz., on £818,000), at 6 per cent. | £49,000 a year. |
| Sinking Fund on One Million, at 1 per cent.                                 | 10,000 "        |
| Interest on One Million Treasury Bills, at 8 per cent.                      | 80,000 "        |
|   | £139,000 "      |

For which amount annual provision has to be made.

To meet this, it is proposed to raise the annual income by the sum of £123,885. It is also proposed to give an additional £74,331 a year to the Provinces, which means, in other terms, an increase to their borrowing power of one million.

But the plan means much more, if the Provinces will only read it aright—as I hope they will; for, in my opinion, any scheme of Finance for New Zealand that does not embrace the Provinces, is an imperfect one. It means the avoidance of any temptation to interfere either with territorial revenue, or the Customs; and I am sure I shall not be misinterpreted to have used a threat, when I say, that the public creditor of the Colony must be satisfied *coute qui coute*.