

From this amount we intend to deduct £150,000 as a contribution to the Public Works Fund in aid of the settlement of the country by road-making and other public works, leaving a balance of £39,381, out of which the usual supplementary estimates will be provided for.

THE CUSTOMS TARIFF.

The present tariff is influenced by several considerations :—

- Protection ;
- Remissions in favour of manufacturers ;
- Remissions in favour of the working-classes ;
- Revenue ; and
- Extra taxation of luxuries.

It will be seen that there are here the elements of a complicated tariff, in which anomalies cannot be avoided ; and I see no prospect of constructing a simple or comprehensive tariff so long as it is deemed expedient to allow the question to be influenced by these considerations.

To give an instance, take “ soft-goods,” in connection with which many of our difficulties occur. For protection we impose 25 per cent. on apparel ; for remissions in favour of manufactures we remit duty on tailors’ trimmings and other articles for making up apparel, also on the materials for shirtmaking ; for remissions in favour of the working-classes we make cotton piece-goods subject to half the rate for more expensive materials ; for revenue purposes we maintain the high rate of 20 per cent. on unenumerated drapery which cannot be made in the colony ; and for the purpose of extra taxation of luxuries we pick out silks and furs for higher duty. Now, it would be a very easy matter to strike a medium rate over all the items embraced under “ soft-goods,” but the requirements of revenue only would be served, and local industries and the interests of the working-classes would be sacrificed.

As to “ anomalies,” these must arise when some materials are made free for aiding manufacture. Importers are unable to see why one “ lining ” should be free and another not. But, from a departmental point of view, it is necessary to make free merely such textiles as are suited only for manufacture, and to exclude from the free list those which may be used now for manufacture, but which if made free would be speedily altered sufficiently to make them suitable for general purposes.

Manufactures may be aided in two ways :—

- By imposing a heavy duty on the complete imported article ;
- By imposing a moderate duty on the complete article, but remitting duty on the materials used in the local manufacture.

The latter is the course followed in the proposed tariff, and it is the one most beneficial to the consumer ; but it is the course in pursuance of which it is vain to expect a simple and comprehensive tariff.

In support of these remarks, I would invite your attention to the tariffs of the United States, Canada, Victoria, and France, as examples of the extreme complications which arise from protection and from the attempt to adjust the relations between the manufacturer of the complete article and those of the producer of the raw material. The New Zealand tariff, however complicated it may appear, is much more simple than those named.

It is principally the importers and traders who make so much of these complications. It is vexatious to them to be puzzled with so many distinctions of rates and so many exemptions in which they are not interested. No doubt the manufacturer, however, will value the attempt to discriminate.

Other fruitful sources of anomalies are the following :—

The exemption of articles used for some particular purpose—as machinery for dairying, mining, and agriculture, but not for paper-making, bootmaking, woollen-mills, rope-making, &c. This anomaly is intensified by the fact that the very classes of machinery which can be made in the colony are those which are admitted free.

The exemption of certain descriptions of goods from a general heading—for instance, “ artificers’ tools.” The exemption was worded in this way because