

or by bonus, fostered the tobacco industry, and which have suffered great loss of revenue thereby (while the cultivation of tobacco seems to have passed rather into Chinese than into European hands), your Commissioners are unable to make any recommendations in this direction. They desire, however, to bring under your Excellency's notice the fact that for several years past the tobacconists have petitioned the House of Representatives for the imposition of a license-fee, and your Commissioners are of opinion that, provided the fee be fixed at a rate not so high as to interfere with the livelihood of small tradespeople, the request should be acceded to. The effect would be not only to add to the revenue a not inconsiderable sum, but it would be the means of checking the sale of cigarettes of inferior quality by a certain class of storekeepers, to the injury of the youth of the colony. Your Commissioners therefore respectfully recommend that legislation be introduced to provide that all dealers in tobacco must take out a license, the annual fee for which, it is suggested, should be £2.

In the course of their inquiry it has been shown to the Commission, on the evidence of Customhouse officers, that the practice which has hitherto prevailed of permitting the manufacture of spirits into tinctures in bond has resulted in considerable loss to the revenue, and there is reason for supposing that in some instances this privilege has been abused. In this connection they would direct attention to the evidence of Mr. Chamberlain, Collector of Customs at Dunedin, and they recommend that the permission referred to be withdrawn, and that the Customs and Excise Duties Act of 1888 be amended accordingly.

It has been proved to the satisfaction of your Commissioners that there is room for a large extension of the timber industry of the colony, provided that satisfactory fiscal arrangements in relation to this trade can be made with the other colonies. They believe there would speedily be an enormous increase in the export of timber, particularly from Westland, and more especially of white- and red-pine, if the free admission of New Zealand timber into Australian ports could be secured. Your Commissioners think that this is a matter of national importance, which deserves the earnest attention of the Government.

Upon several occasions at the different places visited by the Commissioners there was brought under their notice the matter of certain difficulties which have arisen as between importers and the Customs Department in regard to the duty chargeable upon invoices of goods. Importers have, on various occasions, claimed to have deducted from the total amount of their invoices the cost of inland charges from the place at which the goods were manufactured to the port of shipment. Your Commissioners think that, on the basis of the existing law, the Customs Department has acted strictly correctly in refusing to allow the deduction of these inland charges, and, after a careful consideration of the whole question, they are of opinion that the fairest thing to all parties would be to enact that the value of goods for duty purposes shall be the value at the port of shipment, and they respectfully recommend accordingly.

Another matter which has been brought prominently under the notice of the Commission in all parts of the colony by numerous trades is that of the competition of imported prison-made goods with goods manufactured in the colony. It is beyond question that in the case of brushware, brooms, mats, furniture, and, in fact, a host of articles, considerable importations have been made, either direct from Germany, Austria, Italy, or America, or from those countries *via* London. Your Commissioners are unable to suggest a remedy for this state of things other than by concerted action by the colonies and the Mother-country, and they venture to recommend the whole question to the consideration of your Excellency's Advisers.

Your Commissioners have also been asked to recommend an import duty upon coal; but, in view of the fact that coal is a prime necessity in many industries, and of the further fact that an import duty upon this article would, in the opinion of the Commission, tend to increase the rates of freight on agricultural produce exported from this colony, on account of the stoppage of the return-coal freight, and of the further consideration that the trade is now mainly controlled by one carrying-company, they are unable to agree to the suggestion.

They have also been asked to recommend an increased duty on cement; but they think that to raise the duty would tend to create a monopoly which would be prejudicial to the interests of consumers. They are of opinion that this view of the case will be justified by a perusal of the evidence on pages On the other hand, however, your Commissioners are of opinion that Harbour Boards and County Councils should be placed in the most favourable position to carry out the important public works devolving upon them by allowing cement imported for their purposes to be admitted free of duty.