

Dunedin, and they recommend that the permission referred to be withdrawn, and that the Customs and Excise Duties Act of 1888 be amended accordingly.

Timber. 12. 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.

Inland charges. 13. 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, especially in the case of goods invoiced from New York and Hamburg. 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, after a careful consideration of the whole question, 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.

Prison-made goods. 14. 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 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.

Coal. 15. Your Commissioners have 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.

Cement. 16. 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 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.

Chemicals. 17. Your Commissioners have received numerous requests from manufacturers and others for the free admission of a number of chemicals applied to various uses, and which are now for the most part subject to 15 per cent. duty; and, as these articles are of indispensable importance to certain industries, and yield but a trifling amount of duty, they have decided to recommend that the requests be acceded to. Some of the articles placed in the exemption-list have been previously treated as free by Commissioners' decisions, but it has been thought advisable to mention them specifically, as well as those now for the first time recommended to be free.

The tariff. 18. Proceeding now to the question of the tariff itself: As already stated, your Commissioners have endeavoured to reduce the number of rates of duty in each class of goods, and they venture to hope that they have succeeded in doing a good deal in this direction. Secondly, they have adopted a suggestion which emanated from the Customs Department, and for which they are indebted to Mr.