

I am, therefore, to request that you will move the Secretary of State to be good enough to take the necessary steps to ascertain in the case of each such colony—

(a.) The quantity of goods imported into the colony bearing a name, trade-mark, or trade description within the meaning of "The Merchandise Marks Act, 1887";

(b.) The quantity of goods imported into the colony bearing no indication of origin, direct or indirect; and

(c.) The number of detentions by the colonial Customs authorities under the powers of the colonial Merchandise Marks Act, distinguishing, if possible, between those goods imported in British vessels and those in foreign vessels.

The Under-Secretary of State, Colonial Office.

I have, &c.,

FRANCIS J. S. HOPWOOD.

No. 4.

(No. 17.)

SIR,—

Downing Street, 6th May, 1897.

I have the honour to submit to you, for communication to your Ministers, a copy of correspondence noted in the subjoined schedule respecting income-tax levied in the colony upon the British ship "Chilena."

I have, &c.

EDWARD WINGFIELD,

For the Secretary of State.

The Officer Administering the Government of New Zealand.

Date.	Description of Document.
31st March, 1897	Chamber of Shipping of United Kingdom to Colonial Office.
7th April, 1897	Reply.
10th April, 1897	Chamber of Shipping to Colonial Office.

#### Enclosures.

Chamber of Shipping of the United Kingdom, 1, Whittington Avenue,  
Leadenhall Street, E.C., London, 31st March, 1897.

SIR,—

I have the honour to inform you that the owners of the sailing-ship "Chilena," of Liverpool, find, upon examining the accounts of that vessel upon a recent voyage from New Zealand, that an item appears therein as having been charged in that colony of "Income-tax, £3 9s."

It would appear from the accounts that the vessel's freight amounted to £1,378 2s. 6d., upon which the New Zealand authorities appear to have arbitrarily assumed that the sum of £68 18s. 1d. (apparently 5 per cent. of the gross freight) must necessarily be profit, and it is upon this (assumed) profit of £68 18s. 1d. that income-tax (at apparently the rate of 5 per cent.) is charged.

The owners of the "Chilena" having reported these facts to the executive council of this Chamber, I was directed by the council, at their last meeting, to state that they would be much indebted to you if you would kindly inform them under what Act of the colonial Legislature of New Zealand this tax is levied, and, if there should happen to be a spare copy of the Act in question in the Colonial Office, my council would be greatly obliged if the same could be forwarded to them upon loan (if necessary) for their perusal.

I have, &c.,

The Right Hon. J. Chamberlain, M.P.,

W. H. COOKE, Secretary.

Her Majesty's Secretary of State for the Colonies.

SIR,—

Downing Street, 7th April, 1897.

In reply to your letter of the 31st ultimo, relating to the income-tax levied in New Zealand on the British ship "Chilena," in respect to the profits which it was assumed to make on freight from the colony outwards, I am directed by Mr. Secretary Chamberlain to transmit to you a copy of "The Land-tax and Income-tax Act, 1896," under section 2 (2A) of which the charge you refer to was no doubt made.

I am also to inform you that a regulation under the Acts of 1891 and 1892 was made in 1893 to the following effect:—

"1. Every person or company engaged in any business as owner or charterer of shipping shall be assessed for taxation in respect thereof upon income derived from such business as such owner or charterer carried on in New Zealand, and also upon income from any business as such owner or charterer originating in New Zealand and carried on with places beyond New Zealand, but not upon income from any such business originating in places beyond New Zealand and carried on with places within New Zealand.