

to expenditure on British material and labour it qualifies for preference, even though 75 per cent. of the cost may be of foreign origin. A proposal to increase the preference from 25 to 50 per cent. is under consideration.

The following figures show the values of imports from Empire and foreign sources respectively in 1914 and during the past four years:—

	1914.	1920.	1921.	1922.	1923.
	£	£	£	£	£
United Kingdom	11,257,720	28,554,587	20,832,520	18,296,173	22,532,205
Other British countries ..	5,059,776	15,311,372	10,317,074	7,709,179	9,334,796
Total British Empire ..	16,317,496	43,865,959	31,149,594	26,005,352	31,867,001
Foreign countries	5,538,600	17,729,869	11,792,849	9,007,209	11,511,492
Total all countries	21,856,096	61,595,828	42,942,443	35,012,561	43,378,493

The embargo against the importation of goods from Germany has been removed. Owing to the dislocation of industrial conditions in that country, due to depreciated currency and other causes, and uncertainty as to what special duties might be imposed on German goods, the amount of such goods imported into the Dominion has not reached large figures. In the year 1923 such imports were valued at £68,915, being 0.16 per cent. of total imports. During the first three months of 1924 German goods imported were valued at £47,009, equal to 0.4 per cent. of total imports during that period.

The conditions governing imports from Germany have recently been modified, but it is too early yet to judge what will be the effect of the alteration.

INLAND REVENUE DEPARTMENT.

LAND-TAX.

Compared with 1922-23 land-tax receipts decreased by £115,040, viz.:—

				£
1922-23	..	..	..	1,541,502
1923-24	..	..	..	1,426,462
				<u> </u>
Decrease	..	..	..	<u>£115,040</u>

This decrease represents a portion of the anticipated reduction in revenue following the removal of the super-tax, the balance being compensated for by the increased value of land in some of the districts revised under the provisions of the Valuation of Land Act and the collection of a considerable amount of arrears of tax.

INCOME-TAX.

The income-tax receipts compared with the year 1922-23 show a decrease of £50,400, the figures for the respective years being,—

				£
1922-23	..	..	..	3,831,932
1923-24	..	..	..	3,781,532
				<u> </u>
Decrease	..	..	..	<u>£50,400</u>

This decrease is due to the reduction of 20 per cent. made in the rates of tax. It was expected, however, that the decrease would have been much greater, but the augmented incomes of taxpayers generally, as a result of improved conditions, furnished a compensating factor.

During the recess a Commission was set up to investigate the system of land and income taxation in New Zealand in all its aspects. The Commission, which was composed of eminent business men who had made a special study of the whole question of taxation, furnished an able report, which has been presented to Parliament.

The recommendations of the Commission, and the evidence which was given, will be most useful when framing legislation which deals with taxation both during the present session and in future sessions of Parliament.