

TRADING WITH THE ENEMY.

To assist the British Government in preventing supplies reaching the enemy many restrictive regulations under Orders in Council have been issued during the past year. No goods may be exported to Switzerland, the Netherlands, Denmark, Norway, or Sweden without special application to the Minister of Customs. Hides, leather, wool, tallow, and fatty substances yielding glycerine can be exported to Britain or British dominions only.

To more effectively prevent trade by enemy firms through neutral countries regulations have been issued providing that any company or firm shall be regarded as an enemy company or firm which had, prior to the war, its chief place of business in enemy territory, and it is further provided that, where the Attorney-General is satisfied that any business is carried on either in or out of New Zealand for the benefit of enemies, such business may be declared to be an enemy business, and any such business existing in New Zealand at the present time must be placed in the hands of the Public Trustee as Custodian of Enemy Property.

There has been reason to believe that small quantities of goods made in Germany have reached the Dominion from time to time through neutral countries in spite of the precaution which has been taken to obtain the certificate of the British Consular Officers at neutral ports of exportation.

Numerous instances of goods marked "Made in Germany" have been brought to the notice of the Department of Customs, but full investigation has frequently shown that such goods either came out of the enemy steamers which were interned in neutral ports upon the outbreak of the war or that they had been held in stock in shops and wholesale warehouses long before hostilities commenced. It is consequently unsafe to assume that all goods marked "Made in Germany" have been unlawfully imported. Nothing, however, has or will be left undone to stop the importation of all enemy goods.

BEER DUTY.

The new system of levying duty upon the quantity and gravity of the worts used in brewing came into force on the 1st December, 1915, and the increased returns up to the close of the financial year must be regarded as highly satisfactory from a revenue point of view. Calculated according to the old system of collection of the beer duty by means of revenue stamps, the usual estimate for the year was about £124,000. The increase for four months due to the new system is £33,900, thus making the total revenue for the financial year £157,892. It must be remembered, however, that the four months from December to March are the summer months, which yield the largest returns. I am advised that the new system has been brought into operation without a hitch of any kind, and is working to the entire satisfaction of the Customs Department. Valuable assistance in the matter of supervision has been rendered by the Postmasters and Police in various country districts.

LAND-TAX AND INCOME-TAX.

The effect on the revenue of the increased taxation upon land and income is very marked. The net receipts in this Department for the past year amounted to £2,440,475 (made up of land-tax £1,048,356, income-tax £1,392,119), and, compared with the collection for the previous year, show an increase of £1,100,516.

LAND-TAX.

The land-tax receipts for the financial year 1915-16 considerably exceeded the estimate, and, compared with those of 1914-15, are as follow :—

					£
Receipts, 1915-16	..	..	..	..	1,048,356
Receipts, 1914-15	..	..	..	..	799,641
An increase of					<u>£248,715</u>