certificate from the Customs Department of the Commonwealth as to the country of origin.

The agreement also provided that goods produced or manufactured in the United Kingdom which would be entitled to admission under the British preferential tariff in force in Australia if imported direct from the United Kingdom will, if exported to the Commonwealth from New Zealand, be so admitted on production of a similar certificate from the Customs Department of the Dominion.

This arrangement came into operation on the 1st May last.

Estimated Customs Revenue for 1922–23.

With a view to estimating the amounts likely to be received during the current financial year, inquiries have been made from merchants and others, and it is doubtful if the volume of imports this year will exceed that of last year. On this assumption it is evident that, had it not been for certain increases in the duty on luxuries made by the new tariff, we would, in view of the reduced prices of most classes of goods, have expected this year to collect much less than during 1921–22.

Under the new tariff the duty on spirits was doubled and that on tobacco was increased by over one-third. The full effect of the duty on spirits will probably not be felt this year, because merchants, in anticipation of the new duty, cleared abnormal quantities at the old rate, and there are still considerable duty-paid stocks in hand.

It will also be remembered that large concessions of duty were made last year in certain classes of machinery and appliances necessary for industrial development. Concessions were also made on inorganic salts, Australian hardwood timber, road-rollers, and on gas and oil engines, and stationary and marine steam-engines of sizes which could not be economically made in New Zealand. There will also be a reduction in the duty on silk piece-goods from the 1st June.

On the other hand, a number of items were added to the list of goods liable to preferential duty, and until traders are able to adjust their businesses and obtain their supplies from British sources it is likely that there will be a slight increase in duty owing to the continued importation of these goods from foreign countries.

Beer Duty.

Although the duty on locally manufactured beer was practically doubled last year, the revenue did not increase in a corresponding ratio during the period the increased duty has been in operation.

Estimated Revenue.

It is estimated that the revenue for the present financial year will be as under:—

	£
Customs duties	5,160,000
Excise beer duty	650,000
Fees for licensed warehouses and other receipts ..	15,000
	£5,825,000

During last year the savings resulting from economies introduced in this Department amounted to £1,346. It is estimated that the total annual savings will amount to £3,355. The expenditure in 1921–22 amounted to £136,475, and £108,507 is the current year's estimated requirement, a reduction of £27,968.

LAND AND INCOME TAX DEPARTMENT.

The net receipts in this Department for the past year amounted to £7,640,803 (land-tax, £1,637,816; income-tax, £6,002,987), which compared with those for collection for the previous year show a decrease of £2,297,121.