

syrup as a substitute for malt has been entirely discontinued, and yet the relative duty on beer made from such articles in proportion to the duty on malt has only been increased one-quarter of one per cent.

24. There has been refunded \$3,985 under the Act 31 Vic., cap. 8, as a drawback of malt duty on malt contained in 227,141 gallons of beer exported. After deducting this item it appears that the net revenue from malt used by brewers is \$361,991. Add to this \$44,732 collected on malt used in distilling and \$24,825 for maltsters and brewers' license fees, and we have a total of \$431,548 as the product of the Excise on malt and malt liquors. The amount collected from the same source in 1875-76 was \$331,047.42, the average during the preceding four years having been \$338,734 per annum. The increased duty on malt did not come into operation until the 20th of February, 1877, when two-thirds of the malting season had expired.

25. In my last Report I referred to the necessity which had arisen for greater stringency in determining the quantity of malt contained in beer exported, and on which a refund of duty is due to the brewer under the provisions of the Act above cited. The increase in the duty on malt has doubled the importance of this question, and I am able to state that the method now in use has been proved by repeated practical tests to be entirely trustworthy, and that there is no reason to fear any loss to the revenue on that account.

#### TOBACCO.

26. The transactions in manufactured tobacco of all descriptions stated in pounds, during the five years ended 30th June, 1877, are shewn in the following Statement:—

Year ended 30th June	1	2	3	4	5	6
	In Ware- house 1st July.	Manufac- tured during the year.	Taken for Con- sumption.	Exported.	Otherwise accounted for.	In Ware- house 30th June.
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
1872-73.....	1,953,612	6,451,119	6,264,208	640,458	9,548	1,490,547
1873-74.....	1,490,547	8,805,276	8,484,193	483,357	12,989	1,315,284
1874-75.....	1,315,284	9,567,152	6,575,443	359,809	16,690	3,930,494
1875-76.....	3,930,494	7,168,446	8,353,955	630,492	5,802	2,108,691
	8,689,967	31,991,993	29,677,799	2,114,116	45,029	8,845,016
Annual aver- age of four years ended 30th June,						
1876.....	2,172,492	7,997,998	7,419,448	528,529	11,257	2,211,254
1876-77.....	2,108,691	8,991,610	7,720,633	609,519	22,927	2,745,745