

1873.
NEW ZEALAND.

REPORT BY THE SECRETARY AND INSPECTOR OF
CUSTOMS RELATIVE TO THE COST OF COLLECTING
THE CUSTOMS REVENUE.

Presented to both Houses of the General Assembly by command of His Excellency.

Customs Department,
Wellington, 17th September, 1873.

SIR,—

With reference to the remarks you recently made to me, regarding the opinion that is stated to be very generally entertained, that the Customs revenue in this Colony is collected at an expensive rate (though I am aware that you are not of this opinion), I have thought it desirable to have returns prepared, as stated below, which contain the fullest information on this subject, in order that you may have them made public if you consider it advisable to do so:—

I.—Abstract of all Duties and Revenue collected by the Customs Department during the financial year ended on the 30th June, 1873.

II.—Return showing the amount expended by the Customs Department for salaries and all other expenses during the financial year ended 30th June, 1873.

III.—Return of revenue collected by the Customs Department at the several ports of New Zealand during the financial year ended 30th June, 1873, and showing also the charges of collection thereon, and the rate per cent. of cost of collection.

IV.—Statement showing the gross receipts of Customs duties and other revenue collected by the Customs Department in each financial year, from 1861 to 1873 inclusive, with the charges of collection thereon, and the rate per cent. of cost of collection.

It will be seen that the cost of collection last year, including the gold duty, was £3 18s. 9d. per cent., and exclusive of that duty £4 3s. 0d. per cent. I have shown the gold duty separately, because it is territorial revenue, and though collected by the Customs, it is paid in as soon as received to the "Provincial Account" of the Province in which the gold is obtained. Having regard to the large number of ports in New Zealand, I think it will be admitted that the Customs revenue is not collected at an expensive rate, especially when it is remembered that this rate includes the cost of the supervision of distilleries. With regard to the distilleries, I may here remark that the adoption of the plan I recommended of combining the Excise with the Customs, instead of making a separate department of it, has, up to the present time, worked well, and has proved to be an economical arrangement, whilst it has also had the effect of simplifying the business of that branch of the service. This Colony, I believe, is the first place in which this plan has been carried out. In the United Kingdom, and in those British Colonies in which there is a duty on home-made spirits, the Excise is conducted as a separate department.

In the United Kingdom the cost of collecting the Customs revenue in 1869 (the latest year I have the returns for), was £3 6s. 3d. per cent., or only 12s. 6d. per cent. less than it was in New Zealand in that year. Considering the small number of articles (40) on which duty is levied in Great Britain, and the facilities for economical administration that are afforded there by the concentration of the greater portion of the trade to a few large ports, when contrasted with the distance by which the principal ports in New Zealand are separated from each other, and the very large number of articles (250) included in the tariff of this Colony, I submit that the cost of collection here bears very favourable comparison with the cost in the United Kingdom.

I have on several occasions pointed out to the Government how much the cost of the Department is increased by opening additional ports of entry, that this increase of expense leads to no increase of revenue, and that, in most cases, it benefits only a few individuals. At most of the small out-ports there is no direct trade whatever with places outside of the Colony, the small amount of revenue collected at them being almost exclusively on spirits, tobacco, and other high-duty goods removed coast-wise under bond from the larger ports. The return, No. 3, appended hereto, exhibits very plainly the high cost (ranging from 10 to nearly 35 per cent.) at which the Customs duties are collected at the out-ports. This is entirely an extra and, so far as the mere collection of the revenue is concerned, an