

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

unnecessary expense, because the goods on which duty is collected at the out-ports are, as I have just stated, removed under bond from the large ports, where an account of them has already been taken and entered in the Customs books, and where they could be cleared and delivered for duty with much less trouble than is caused by their being cleared for removal coastwise. Of course there are places where it is necessary to station officers for the protection of the revenue, and whether such places be declared Ports of Entry, and whether any revenue be collected at them or not, is a matter of little moment, so far as the cost to the Department is concerned, as the revenue of the whole Colony is benefitted by the prevention of any place from becoming a rendezvous for smuggling; but there are ports now open which have no value whatever as preventive stations, and which, I think, should be closed, at any rate before any more ports are opened. The number of Ports of Entry already established (28) is altogether excessive, if considered in relation to the trade and population of the Colony (being more than there are in Scotland, and one-third more than in Ireland), and from the frequent urgent applications that are constantly being made from various parts of the Colony, this number, I fear, will rapidly increase, unless the Government firmly discourage such applications, and decline to entertain any that are made on behalf of districts where the trade and population are not sufficient to justify the increased expense to the Department that would be caused by opening additional ports of Entry.

I have the honour to be, Sir,

Your most obedient Servant,

WILLIAM SEED,

Secretary and Inspector.

To the Hon. the Commissioner of Customs.

No. 1.

ABSTRACT of all DUTIES and REVENUE collected by the CUSTOMS DEPARTMENT during the Financial Year ended the 30TH JUNE, 1873.

Head of Receipt.										Amount Collected.	
										£	£
Spirits	..	..	..	..	..	..	..	..	..	283,956	
Do., New Zealand	..	..	..	..	..	..	..	..	..	17,423	
Cigars and Snuff	..	..	..	..	..	..	..	..	..	12,096	
Tobacco	..	..	..	..	..	..	..	..	..	92,813	
Do., Sheepwash	..	..	..	..	..	..	..	..	..	291	
Wine	..	..	..	..	..	..	..	..	..	34,450	
Ale and Beer, in wood	..	..	..	..	..	..	..	..	..	2,585	
Do. do., in bottle	..	..	..	..	..	..	..	..	..	13,252	
Tea	..	..	..	..	..	..	..	..	..	55,798	
Coffee, Cocoa, &c.	..	..	..	..	..	..	..	..	..	6,675	
Do., ground	..	..	..	..	..	..	..	..	..	776	
Sugar and Molasses	..	..	..	..	..	..	..	..	..	91,540	
Fire Arms	..	..	..	..	..	..	..	..	..	154	
Powder, sporting	..	..	..	..	..	..	..	..	..	553	
Shot	..	..	..	..	..	..	..	..	..	665	
Goods by Measurement	..	..	..	..	..	..	..	..	..	147,034	
Do. by Weight	..	..	..	..	..	..	..	..	..	53,790	
Opium	..	..	..	..	..	..	..	..	..	2,177	
Ad Valorem	..	..	..	..	..	..	..	..	..	3,961	
Other Duties not specified above	..	..	..	..	..	..	..	..	..	35,824	
										855,813	
Rents, Seizures, &c.	..	..	..	..	..	..	..	..	..	471	
Bonded Warehouse Duty	..	..	..	..	..	..	..	..	..	4,128	
" Merchant Shipping Act " Fees	..	..	..	..	..	..	..	..	..	789	
" Arms Act " Licenses	..	..	..	..	..	..	..	..	..	1,675	
Lighthouse Dues	..	..	..	..	..	..	..	..	..	6,845	
Pilotage Fees	..	..	..	..	..	..	..	..	..	11,909	
" Oyster Act " Licenses	..	..	..	..	..	..	..	..	..	10	
" Distillation Act " Licenses	..	..	..	..	..	..	..	..	..	636	
Other Receipts	..	..	..	..	..	..	..	..	..	873	
										27,336	
Gold Duty	..	..	..	..	..	..	..	..	..	47,499	
Total Duties and Revenue	..	..	..	..	..	..	..	..	..	£930,648	

No. 2.

RETURN shewing the AMOUNT EXPENDED by the CUSTOMS DEPARTMENT on SALARIES and OTHER EXPENSES during the Financial year ended the 30TH JUNE, 1873.

Heads of Expenditure.										Amount Expended.	
										£	£
Salaries	..	..	..	..	..	..	..	..	..	31,925	
Gold Allowance	..	..	..	..	..	..	..	..	..	711	
Extra Tidewaiters	..	..	..	..	..	..	..	..	..	1,015	
											33,651
Contingencies	..	..	..	..	..	..	..	..	..	1,201	
Travelling Expenses, and Passage Money for Removal of Officers										482	
Books and Instruments	..	..	..	..	..	..	..	..	..	198	
<i>Expenses for Protection of Revenue, viz.,—Rewards for Seizures, and for Suppression of Illicit Stills, and Expenses of Revenue Cutter "Ringleader"</i>										1,108	
											2,989
Total amount of Departmental Expenses for the year ended 30th June, 1873											£36,640

NOTE.—The salaries and expenses of the Secretary and Inspector's Office are included in the above return.

No. 3.

RETURN of REVENUE COLLECTED by the CUSTOMS DEPARTMENT at the several PORTS of NEW ZEALAND during the Financial Year ended the 30th JUNE, 1873, and shewing also the CHARGES of COLLECTION thereon, and the RATE PER CENT. of the COST of COLLECTION.

PORTS.	Gross Receipts.	Receipts, exclusive of Gold Duty.	Charges of Collection.	Rate per cent. of Collection and Supervision.	
				On Gross Receipts.	On Receipts, exclusive of Gold Duty.
	£	£	£	£ s. d.	£ s. d.
Auckland	192,408	182,983	6,039	3 2 9	3 6 0
Thames	12,316	12,316	669	5 8 8	5 8 8
Russell	1,741	1,741	246	14 2 7	14 2 7
Mongonui	697	697	170	24 7 10	24 7 10
Hokianga	1,733	1,733	268	15 9 4	15 9 4
Wangarei	9	9	182	....	....
Kaipara	Nil.	Nil.	50	....	....
Poverty Bay	2,007	2,207	253	12 12 1	12 12 1
New Plymouth	7,112	7,112	548	7 14 1	7 14 1
Wanganui	19,244	19,244	882	4 11 8	4 11 8
Wellington	80,029	80,029	2,965	3 14 1	3 14 1
Napier	28,816	28,816	1,308	4 10 9	4 10 9
Wairau	5,027	5,027	304	6 0 11	6 0 11
Picton	2,003	1,824	210	10 9 8	11 10 3
Havelock	817	817	143	17 10 1	17 10 1
Kaikoura	713	713	153	21 9 2	21 9 2
Nelson	37,033	35,897	1,946	5 5 1	5 8 5
Westport	22,940	18,878	1,033	4 10 1	5 9 5
Greymouth	44,656	37,432	2,052	4 11 11	5 9 8
Hokitika	43,138	36,271	1,991	4 12 4	5 9 9
Okarito	1,281	952	332	25 18 4	34 17 5
Lyttleton	113,452	113,447	4,181	3 13 8	3 13 9
Akaroa	269	269	29	10 15 7	10 15 7
Timaru	13,156	13,156	636	4 16 8	4 16 8
Oamaru	7,822	7,822	539	6 17 10	6 17 10
Dunedin	262,128	244,300	7,398	2 16 5	3 0 7
Invercargill and Bluff Harbour	25,213	24,769	1,510	5 19 9	6 1 11
Riverton	4,888	4,888	291	5 19 1	5 19 1
Chatham Islands	....	....	312	....	....
TOTALS	£ 930,648	883,149	36,640	3 18 9	4 3 0
Gold Duty	£	47,499			
		930,648			

DISTILLATION.—Duty on New Zealand Spirits.... £17,423
 Distillation Licenses 636
 Salaries and Expenses (included above) £18,059
 1,453

COST PER CENT. FOR SUPERVISION.
 £8 0s. 1d.

No. 4.

STATEMENT shewing 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 the COST of COLLECTION.

Years ended 30th June.	Gross Receipts.	Receipts, exclusive of Gold Duty.	Charges of Collection.	Rate per cent. of Collection.	
				On Gross Receipts.	On Receipts, less Gold Duty.
	£	£	£	£ s. d.	£ s. d.
1861	205,784	204,992	17,005	8 5 3	8 5 10
1862	396,322	340,163	20,200	5 1 11	5 18 9
1863	553,568	490,456	29,393	5 6 2	5 19 10
1864	689,091	619,126	38,927	5 12 11	6 5 8
1865	692,703	640,129	38,990	5 12 6	6 1 9
1866	892,021	799,669	46,464	5 4 2	5 16 4
1867	944,234	872,416	48,655	5 3 0	5 11 6
1868	881,061	796,230	38,527	4 7 5	4 16 9
1869	906,657	827,646	35,991	3 19 4	4 6 11
1870	904,806	832,372	35,024	3 17 5	4 4 1
1871	831,965	756,899	35,749	4 5 11	4 14 5
1872	878,490	799,823	34,484	3 18 6	4 6 2
1873	930,648	883,149	36,640	3 18 9	4 3 0

By Authority: GEORGE DIBSBURY, Government Printer, Wellington. —1873.