

FORM OF REPORT.

It is considered advisable that in addition to this General Report there should be submitted Special Reports dealing in some detail with particular industries or commodities, and these Special Reports appear as Appendix B hereto.* It will be recognized that the Commission cannot, in the time at its disposal, prepare such reports in relation to more than a comparatively few of the many trades or articles which have necessarily been under review.

The recommendation which the Commission has to make in regard to the form of the Tariff and the rates of duties to be imposed is set out in Appendix C hereto.†

GENERAL REPORT.

The New Zealand Customs Tariff has three main objectives:—

- (a) The collection of revenue.
- (b) The protection of local industries, both farming and manufacturing.
- (c) The granting of preferential tariff treatment to goods of British Empire origin.

These three objectives are inter-related, and are, in general, not clearly separable.

The duties levied on many commodities produce simultaneously, in some measure, two or more of these effects. The tariff also necessarily indicates the goods which are free of duty from all countries.

During the calendar year 1926 goods to the value of £49,889,563 were imported into the Dominion. Under the provisions of the existing tariff 24 per cent. (representing £12,156,315) was admitted free from all sources; 25 per cent. (or £12,471,669 in value) was of a class admissible free of duty only when produced or manufactured in British countries; the balance—namely, 51 per cent. (of a value of £25,261,579)—was liable to duty irrespective of origin.

REVENUE.

In his "Public Finance," Professor Bastable says:—

"The influence of Adam Smith's teaching on administrators, and the need of revenue in consequence of increasing outlay, have led to at least a partial recognition of the financial aims of import taxation. Even in countries that adhere to a rigid system of protection, some of the duties are solely productive of revenue, and in all, the financial aim crosses and modifies the political one. A great deal of the modern protectionist revival is really due to the need of revenue to meet growing expenditure. The general adoption of a purely financial Customs system with complete exclusion of all other aims may be long deferred, but State requirements will always secure that the gaining of funds shall be one of the ends sought. . . . For the immediate future the Customs system must remain as a necessary element in the taxation of commodities that the heavy outlay of modern States makes indispensable."

The amount of Customs and Excise revenue (including duty on tires credited to Main Highways Account) collected in the Dominion during the financial year 1926–27 was £9,016,863, made up as follows:—

	£
Customs duty	8,286,783
Excise duty, viz.—	
On beer	621,813
On tobacco, cigars, and cigarettes	87,930
Other	20,337
Total	<u>£9,016,863</u>

* Portion of Appendix B, being confidential, has not been printed.

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