

CONVERSION RATE FOR DUTY PURPOSES.

There has been a considerable amount of controversy as to the basis that should be adopted for the conversion for duty purposes of values not expressed in New Zealand currency. As a matter of principle, I agree with the view of the Tariff Commission that values for duty should be assessed in the currency of the country levying duties. For our purposes, however, the question is a practical one. As will be seen from the report of the Commission, the evidence and data received and the calculations and determinations made by them were based on the existing system. It is therefore proposed at present to retain this system. If the values were to be calculated in New Zealand currency it would, generally speaking, be necessary to reduce the rates of duty by about 20 per cent.

EXERCISE OF AUTHORITY GRANTED TO MINISTER UNDER CUSTOMS ACTS.

Exception has from time to time been taken to the powers of interpretation and decision granted to the Minister by Parliament under various Customs Acts. If these powers did not exist, the only other tribunals to which recourse could be had would be the Courts. This was the position prior to 1907, and, as a result of the position thus created, the administration of the tariff was rendered more complicated. It was found also that general exemptions in the tariff were interpreted to cover goods that were not intended to come under these headings when the legislation was passed. At the present time many of the tariff items are set out in general terms. If the powers granted to the Minister were not retained, it would be necessary in many cases to embark upon a far greater enumeration of articles in the Schedules than there is at present. Every item in such an enumeration might form the subject of Court proceedings, and, when one considers the rapid and complex changes which take place both industrially and commercially, it can be realized that to revert to the former position would be a retrograde step. In my opinion the existing system has, on the whole, worked very satisfactorily, and it has reduced to a minimum the delay and uncertainty in the clearance and classification of goods.

The Tariff Commission in its report sets out at length and in unmistakable terms its conclusion that the present system should be retained.

TIME TO DISPOSE OF STOCKS OF IMPORTED GOODS.

It is usual when reductions are made in Customs duties to afford importers time to dispose of stocks of goods upon which duty at higher rates has been paid. If this were not done it would mean that merchants holding such stocks would be placed at a disadvantage through having to compete with goods admitted at the lower rates of duty. In cases where the reduction in duty does not exceed about 5 per cent. *ad valorem* it is not considered that the matter is of sufficient importance to warrant this special action, but in other cases it is proposed that, except in special circumstances, the lower duties or exemptions should not take effect until 1st November, 1934.

SURTAX AND PRIMAGE.

Except in special circumstances, it is not considered satisfactory that Customs duty should be levied by way of general imposts such as surtaxes and primage. As honourable members will recollect, it was agreed at Ottawa that the primage duty at present imposed would be abolished as soon as revenue conditions permitted. The Government has given full consideration to this matter, but it is regretted that it is not at present possible to dispense with the revenue thereby received.

As regards the surtaxes, these, as honourable members are aware, have been abolished so far as the United Kingdom and non-self-governing colonies are concerned in accordance with the Ottawa Agreement. The result is that the great bulk of our dutiable imports are not now liable to this surcharge. It is proposed, in the meantime, to retain the existing surtaxes for the purpose of negotiating agreements with other countries as was done last year in connection with the Agreement with Belgium.