

CUSTOMS AMENDMENT BILL.

EXPLANATORY MEMORANDUM.

THE purpose of this Bill is to afford to importers of goods from foreign countries relief from hardship due to the varying commercial or banking rates of exchange, as distinguished from the "mintage" rates.

Section 121 of the Customs Act, 1913, provides that "Where the invoice shows the value of the goods in any currency other than that in force in New Zealand the equivalent value in such last-mentioned currency shall be ascertained according to a fair rate of exchange." The reference in this section to a fair rate of exchange has been held to be a reference to the "mintage rate," and not to the commercial or banking rate. The distinction may be illustrated by reference to the American gold dollar; according to the mintage rate, which has not varied, 4.86 dollars are worth one English sovereign; according to the commercial or bank rate, on the other hand, the value of the English sovereign is variable and has been as low as 3.20 dollars. In comparison, however, with the French franc the commercial value of the English sovereign has been appreciated; the mintage rate stands at 25.23 francs per sovereign, but the commercial value is approximately 60 francs.

The limitation of the reference to the rate of exchange in section 121 of the Customs Act to the mintage rate has resulted, by reason of the variation in the commercial rate, in an advantage to importers from America, and in a grave disadvantage to importers from France and certain other European countries.

The object of the Bill is to permit of the adoption by the Department, for the purpose of assessing Customs duty, either of the mintage rate or of the commercial rate.

Hon. Sir William Herries.

CUSTOMS AMENDMENT.

ANALYSIS.

Title.
1. Short Title.

2. Section 121 of principal Act (relating to rates of exchange in the case of invoices expressed in foreign currency) amended.

A BILL INTITULED

AN ACT to amend the Customs Act, 1913.

Title.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Customs Amendment Act, 1920, and shall be read together with and deemed part of the Customs Act, 1913 (hereinafter referred to as the principal Act).

Short Title.

2. (1.) Section one hundred and twenty-one of the principal Act is hereby amended by adding to subsection one the words "In any such case the Minister may fix the rate of exchange by reference either to the banking rate of exchange or to the mintage rate of exchange."

Section 121 of principal Act (relating to rates of exchange in the case of invoices expressed in foreign currency) amended.

(2.) For the purposes of the said section one hundred and twenty-one as amended by this section the term "mintage rate of exchange" means the rate of exchange computed with reference to the relative values of the sovereign and of the gold or silver monetary unit of the country of export; and the term "banking rate of exchange" means the rate of exchange computed in accordance with the practice of bankers for the time being.

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