

children begin to work they are looked after by Government officials to see that they have sanitary surroundings, get a minimum wage, sufficient air-space, and are not worked too long each day. He is also safeguarded in many ways during his working-hours, and, if he has been unfortunate, will at sixty-five receive a pension from the State for the rest of his life.

His lot in respect of taxation and the benefits obtained therefrom will compare favourably with that of any worker anywhere in the world. In New Zealand no income-tax is paid on an income of less than £300. This is a very high exemption. In Britain it commences at £160; in Japan at £30, and it rapidly progresses there until at £10,000 per annum as much as 4s. in the pound is taken by the State. In Germany taxation on the poorer members of the community is much higher than in this Dominion. In addition to the heavy Customs duties on meat and other necessities of life, the income-tax which they have to pay is, compared with ours, very severe.

Here are some examples which should be studied in order to realize how fortunate we are in comparison. The amount of exemption varies in different States of the German Empire. In Prussia all incomes of £45 or over, earned or unearned, must pay income-tax. In some States the exemption is only £20; and, as the tax is assessed on the total earnings of the family and not those of the father only, few escape it. It is graded from $\frac{1}{2}$ per cent. to $\frac{3}{4}$ per cent. on an income of £45, and increases as the income grows. Take the case of a servant girl in Saxony with a salary of £15 per year. Taxation on incomes begins in Saxony at £20, but income includes food, lodging, Christmas presents, and other gratuities. The employer is compelled by law to give the authorities a list of these items. Food, lodging, and other things will be, at the lowest computation, £23, making the income £38 per annum, bringing the girl under Class 3. The direct tax is 4s. per year, but in Germany the local taxation is based upon the Imperial tax. In some towns it is the same, in others more: thus, in Frankfort-on-the-Main the local tax is 125 per cent. of the Imperial tax, in Duisburg 200 per cent., at Elberfeld 230 per cent., at Berlin 100 per cent. In some places it reaches 350 per cent. At Dresden the servant girl, in addition to the 4s. direct taxation, must pay for general purposes 3s., for church and school tax about 3s. 6d.; total, 10s. 6d. If the total income is £40 instead of £38 she is placed in Class 4, which applies to incomes of from £40 to £47 10s. She will then pay 18s. in direct taxes.

Consider the position of a married couple in Dresden, each working, and together earning £100. They are taxed together, and will pay £4 10s. out of the £100. If in different occupations and separately earning only £50, each would have to pay income-tax amounting to £1 16s.

But in New Zealand it is not only the poorer persons who are lightly taxed. Those who are members of what in other countries are called the middle classes are better off here than elsewhere. We will take the case of a man receiving £1,000 per annum in New Zealand, England, and Germany. In New Zealand he will pay £29 11s. 8d.—that is, 11d. in the pound on £700—all in excess of the exemption of £300. A Londoner receiving £1,000, half of which is earned and half unearned, will pay on the £500 earned, at 9d. in the pound, £18 5s.; on the £500 unearned, at 1s. 2d. in the pound, £29 3s. 4d.: total, £47 18s. 4d. At Frankfort-on-the-Main a person in receipt of a similar income will pay £96 per annum. The German Empire is purposely taken for comparison. It is one of the greatest of world powers, in the front rank of civilization and prosperity. Were a poor or backward State referred to it might be said that the comparison was unfair.

It is not necessary, however, to go as far as Europe to find a country where the small man is more heavily taxed than in New Zealand. In Tasmania income-tax is payable as soon as the income reaches £80 per annum. The exemption begins to diminish at £110 and disappears at £400, so that on an income of £300, at which a New-Zealander pays nothing, a Tasmanian pays income-tax on £270 at 5½d. in the pound—that is, £6 3s. 9d. There is no exemption for land-tax, which is payable on every pound of the unimproved value, and if he owns unimproved land worth £500 he will pay £2 1s. 8d. land-tax in addition.