

the sale price—that is, 3 per cent., no matter whether it is sold at a loss or gain compared with the previous sale price. If there is a profit—that is, an increase over the previous sale price—there is a graduated scale of taxes amounting to 4 per cent. on the increase of from 25 per cent. to 30 per cent., and 1 per cent. on each increase of 5 per cent. above that.

#### INHERITANCE-TAX.

There have been complaints without real justification made as to the amount that is obtained in this country from inherited estates, but I propose to show that it is not excessive in New Zealand. It is increasing in all countries.

Estates of £500 or under are exempt in New Zealand from estates duty. Those taking the inheritance pay according to the relationship of the successor to the deceased, strangers paying 10 per cent. Great care has been taken in our legislation to protect the family. In some other countries not only is the succession duty as high as ours, but the interests of the wife and children of the deceased are not nearly so well guarded. In the United Kingdom estates of over £100 and under £500 pay 1 per cent., so that £4 would be payable. In this country there would be no tax. Succession duty is higher on collateral heirs in the United Kingdom than in New Zealand, and the maximum is the same—10 per cent. In Western Australia the inheritance-tax would be, on an estate of £500, if the wife and children were at the date of decease *bona fide* residents in Western Australia, £2 10s.; if not, £5. In Queensland the duty on an estate of £500 left to wife and children would be 1 per cent.—£5. In South Australia there is an exemption of £500 if the estate goes to wife and children; strangers have to pay, as with us, 10 per cent. It is the same in Tasmania. Of the United States, all but ten levy inheritance-taxes. The tax varies greatly. In some of them the amount reaches 12 per cent., 15 per cent., and in one—New York—in the case of large estates and unrelated or distant persons inheriting, 25 per cent. is taken. The maximum estates duty (15 per cent.) and succession duty (10 per cent.) is the same in the United Kingdom as in New Zealand, but the higher duties are reached much sooner in New Zealand, while the smaller estates up to £3,000 are more lightly taxed here.

If we look around the world and compare the taxation systems of this country with those of others, we must be impressed with the advantages our people enjoy in this respect. A man may own a home worth £500, receive an income up to £300 per annum, and he will not pay one penny of direct taxation during his life, nor will his estate on his death if it passes to his family. How many countries are there in the civilized world the inhabitants of which are in such a fortunate position?

#### COST OF LIVING.

This has increased within the last few years in all countries in the world to an alarming extent. It has resulted in much suffering and serious disturbances in many places. It is explained in different ways and is attributed to various causes, but authorities who have investigated it state that it is principally due to the increased production of gold, and in consequence a corresponding increase in the exchange value of goods purchasable by gold—that is, more gold is required for purchases now than when gold was scarce. Whatever the cause, the effect is very serious, especially on the poorer members of the community. All right-thinking people are anxious to find a remedy if possible, and with this object in view the Royal Commission to inquire into an unemployment-insurance scheme will also fully investigate the matter as far as New Zealand conditions are affected, and I hope valuable suggestions will result therefrom.

#### REMISSIONS.

The condition of the revenue warrants concessions in our gift duty, as also those connected with estate duties when the disposition of the latter is to a stranger in blood, and I will ask the House to remove the duty on gifts up to £1,000 on gifts from husband to wife, and wife to husband, as also from parent to child, and up to £200 on property left to a stranger in blood.