

cent. A critic confused the Office charges by adding this high rate of duty to the moderate commission which actually had been charged by the Department. Every statement of account sets out clearly the amount of the Office charges so that these may be plainly seen by the beneficiaries and those acting on their behalf.

111. Besides providing for an increased levy of estate duty on estates of persons dying after the statute comes into force, the English Finance Act, 1930, contains one or two matters of general interest in regard to this duty, particularly to those persons in New Zealand who have assets in England.

One of these provisions relates to duty on the property of a deceased person which has been transferred to a private company. The definition of "private company" applies not only to private companies within the meaning of the Companies Act, 1929, but to companies which though technically not private are so in practice, because the effective control is restricted to a small body of shareholders. The new Finance Act imposes the charge of estate duty in cases where the deceased has transferred property to a private company "so that it does not 'pass' on his death," but has continued to enjoy the use of it or to obtain payment from the company in lieu of the income which he formerly derived from the property. The property referred to includes not only that of which the deceased person was the absolute owner, but also that of which he was the life tenant. The Act contains also an important provision as to the basis on which shares in a private company should be valued for estate-duty purposes.

112. It is interesting to note that the Finance Act also amends the existing statutory provisions in regard to objects of national, scientific, historic, or artistic interest, such as pictures, prints, books, manuscripts, scientific collections, &c. Where any such objects pass on the death of any person, whilst they are enjoyed in kind they are exempt from death duties and their value is not to be taken into account for the purpose of estimating the total value of the estate possessions on the death of the deceased or the rate at which estate duty shall be chargeable. In the event of a subsequent sale, however, the proceeds are liable to duty. The amendment in the new Act provides that the amount on which estate duty is to be charged on the occasion of a sale will be not, as has hitherto been the case, the value of the object at the date of the owner's death; it will now be the amount realized by its sale. Also, the rate at which estate duty will be charged will be that applicable to the rest of the property that passed on the owner's death, excluding the works of art, &c., in question. It will therefore be no longer necessary to value them at the time of death. Death duties are not chargeable if the sale is to the National Art Gallery, the British Museum, or any other similar national institution, any University, County Council, or Municipal Corporation in Great Britain, or the National Art Collections Fund.

LIFE POLICIES.

113. Life policies continue to be a very common form of asset in the estates reported for administration, especially in the estates of persons of moderate means. Life insurance is regarded by many persons as one of the simplest and cheapest ways of providing for one's dependants, and for a vast number of people it is probably the only practicable method of doing so. Statistical records show that the life policies in force in New Zealand in 1927, including ordinary and industrial, amounted to £92,110,221, and each year brings a material increase to this total. Death claims settled each year aggregate a very large sum, and for the year ended 31st December, 1927, amounted to £536,610 in New Zealand.

This source of funds is of especial importance in the administration of estates, in view of the fact that life-insurance moneys are settled in cash, and not in assets, which may be unmarketable or slow to realize. The periodical reports of the English Commissioners of Inland Revenue contain an interesting classification of all property coming under the charge of estate duty, and show the amount of life-insurance moneys separately, divided by ranges of estates. From the latest report it is gathered that of a gross capital of nearly £570,000,000 coming under charge in the financial year 1928-29 life insurance accounted for £18,650,000—i.e., 3·3 per cent. of the total.