

all building materials, including timber, cement, building paper and wallboard, glass, hardware, wallpaper, paint, bricks, and roofing materials; (b) clothing of all descriptions; (c) household furnishings of all kinds, including perambulators; and (d) a miscellaneous number of items including dried or dehydrated fruits and surgical and dental instruments. The total taxation reductions for a full year is estimated at £7,000,000.

To the extent that the items concerned are at present being subsidized for stabilization purposes, the subsidies will be discontinued as soon as administratively possible, but nevertheless the net effect of these adjustments will be substantially to reduce living costs generally.

A complete list of the items concerned is shown in the Resolution which will be submitted to the House at the conclusion of this statement.

The exemptions from sales tax which I have mentioned will involve a loss of revenue for a full year of £7,000,000, but as these will operate for six months and a half only of this year the concessions this year will mean a reduction of £3,800,000.

Summary of Tax Reductions

These taxation adjustments may be summarized as follows, showing the effect for a full year and also the loss of revenue for the present financial year:—

		Full Year	Present Year
		£(m.)	£(m.)
<i>Already in Operation—</i>			
Reduction in national security tax	7.0	7.0	
Abolition of social security registration fee ..	0.6	0.6	
Reduction due to increased wife exemption ..	1.3	1.3	
	8.9	8.9	
<i>Proposed—</i>			
Reduction of income-tax surcharge from 33½ per cent. to 15 per cent.	4.7	4.7	
Elimination of excess profits tax	0.5	0.5	
Reductions in sales tax	7.0	3.8	
Reductions in gold duty and primage duty ..	0.1	0.1	
	12.3	9.1	
	21.2	18.0	

Honourable members will appreciate that taxation concessions amounting in a full year to no less than £21,200,000 during what may be described as the transitional period represents a very material relief from the burden of taxes imposed on account of the war, and at the same time should encourage all sections of the community to produce to the maximum of their ability and so ensure that New Zealand plays her part in the re-establishment of world economy.