

opinion of the New Zealand Government. These conventions were submitted to the Crown Law Department, and the Solicitor-General advised that the proper course would be to wait until the necessary legislation touching these points was enacted by the Imperial Parliament. The Secretary of State was informed to that effect, and since then the Imperial Act has been passed. The New Zealand Government proposes to place a similar Act upon the statute-book this session in order to bring about uniformity between the English and New Zealand legislation. The Marine Department has had the fullest investigations made into the efficiency or otherwise of the safety appliances carried on passenger-steamers on the New Zealand coast, and this question is at present under consideration. Provision is being made in the Shipping and Seamen Bill empowering the Governor to make such regulations from time to time as may be necessary for the safety of the public.

INCREASE IN THE GRADUATED LAND-TAX.

It is not always an easy matter to determine the causes that produce a certain effect, and in all probability by describing one Act of legislation as the sole factor in bringing about a breaking-up of the larger holdings of country land one may err, and may overlook other influences which have acted as potently as the graduated land-tax. There can, however, be little doubt that the higher rate of taxation on the owners of large holdings has operated to induce them to break up their properties.

The Government has no desire to inflict upon any individual taxation which would be confiscatory, but is determined to bring about a closer settlement of the land, and makes this the most important plank in its policy. To carry this out the graduated land-tax will be amended by altering the present method of graduation, which is deemed inequitable; it will be replaced by a system which will lessen the graduated tax on estates of £5,000 unimproved value, and which will provide that the graduations shall be regular and increasing with every £1 increase in unimproved value, while increasing the tax payable on estates over £30,000 unimproved value. That the present system is inequitable will be plain from the following table:—

Unimproved Value of Country Estate.		Tax under New System.			Tax under Old System.		
£		£	s.	d.	£	s.	d.
{ 34,999	..	158	7	1*	..	109	7 5
{ 35,000	..	158	7	3*	..	118	9 9
{ 39,999	..	212	4	5*	..	135	8 3
{ 40,000	..	212	4	9*	..	200	0 0*

* Includes 25 per cent. additional.

The total amount of graduated tax derivable from estates of an unimproved value of less than £30,000 will not be increased; the amount raised from estates which are in excess of that value will be considerably in excess of the amount hitherto paid by those estates.

The Bill will provide that the 25 per cent. additional graduated tax which is now imposed on estates of £40,000 or more in value shall be made to apply to estates of £30,000 or more in value. Attached to this Statement will be found a table giving some particulars which will enable honourable members to realize the effect of the new Act as compared with the old.

Advantage will be taken of this opportunity to grant a concession to widows who are in indifferent circumstances, and who are maintaining families, so that in future they may be relieved within certain limits of payment of land-tax. The graduated land-tax is not considered by the Government the only means of producing closer settlement, and the Land for Settlement and Land Settlement Finance Acts will be utilized to aid the great work of settlement. The Government has also had under consideration the advisability of inducing closer settlement by encouraging the large landowner to break up his estate, and hopes next year to bring in further legislation to effect this purpose.