

As all classes of the community will, I am sure, desire to join in the necessary sacrifices to help the country at this juncture, I would ask those who use non-alcoholic beverages to join in providing a part of the extra revenue necessary. I propose that an excise duty of 1d. per gallon be put on all non-alcoholic beverages to be defined. It is difficult to estimate what the revenue from this will be, but I put it down, in round figures, at £20,000. We shall, however, not be able to ascertain definitely what is to be expected from this until it has had a full year's trial.

The full benefit to the revenue of the increased duties on spirits will not accrue for many months, as merchants, anticipating changes in the tariff, have cleared from bond all available stocks of these articles. The amount of inflation of revenue during the last two months due to this cause has been about £130,000.

It should also be remembered that the new duties will be in force for seven months of the year only, that there are large stocks of motor-spirits and kerosene at present stored in the Dominion, and that the consumption of most articles will be reduced on account of war conditions, the absence of many of our men on active service, and other causes.

Taking all these facts into consideration I do not think the increases for the present financial year due to the new duties can be safely estimated at more than £120,000. In these proposals I have elected to touch a few special articles, and not to increase the duties on the necessities of life.

The resolutions to impose the additional duties will be brought down to-night.

STAMP DEPARTMENT INCREASES.

I propose an increase on the duties on conveyances, transfers, leases, settlements, common deeds, and other assessable instruments mentioned in the Second Schedule of the Stamp Duties Act, 1908, by 25 per cent. The amount of duty realized from this source during the last year was £175,000. After making allowance for a shrinkage in land transactions, it is estimated that the increased tax will yield £40,000 per annum.

Bank-notes Duty.—The duty at present is 15s. per cent., and realizes £60,000 annually. I propose to increase this tax to £1 per cent. I estimate that this increase will produce £20,000 per annum.

Bank Cheques.—The duty is at present 1d. I propose to increase the duty to 2d. This increase is estimated to produce £50,000 annually. There are large numbers of blank cheques stamped with 1d. in circulation, and these may be used with an additional adhesive stamp for a period of one year. After the expiration of that period all unused cheques stamped with 1d. will be called in and an allowance made for them.

Receipts.—The duty at present is 1d. on every receipt for £2 and upwards. It is proposed to increase this duty to 2d. It is difficult to estimate the amount that will be realized from this source, but after a careful consideration of all available data I have put it down at £40,000.

Death Duties.—There is not much room for increase in these duties, nor is it desirable to increase the duty on small estates, although they receive liberal treatment under the present law. There is one class of beneficiaries, however, which escapes very lightly in the matter of succession duty. I refer to the children of wealthy persons. At present such children do not pay succession duty on a less sum than £20,000 each, which for all practical purposes exempts them from duty. It is proposed to reduce this exemption to £5,000 for each child and to impose a duty of 2 per cent. on successions over this amount. I estimate that this duty will realize £30,000 per annum.

Mortgages of Land or any Interest therein.—It is proposed to impose a stamp duty of 5s. per cent. on mortgages. This tax is estimated to produce £40,000. On release, reconveyance, or discharge of mortgage a fixed duty of 10s. This tax is estimated to produce £8,000. In the United Kingdom an *ad valorem* duty has been imposed on mortgages for many years. This duty is not a recurring one, and should not cause any hardship in its incidence.