

PROPOSALS.

I also place in concise form the new proposals submitted to honourable members :—

- Reduce public-works expenditure.
- Repeal mortgage-tax, and substitute an income-tax on sums invested on mortgage by owners.
- Abolish duplication of income-tax by exempting in New Zealand income earned elsewhere within the British Empire, and which has already been taxed there.
- Provide for annual bonus out of profits of Public Trust Office to beneficiaries of estates.
- Provide for war bonus during war to employees of all branches of the Public Service whose pay does not exceed £315 per annum.
- Provide £2,000,000 for internal expenditure.
- Provide £500,000 for purchase of lands for soldiers.
- Adjust conditions by legislation to meet the changes war has brought about in regard to banking.
- Provide for acquirement of 45 per cent. of profits realized by war-conditions.
- Provide a proportion of moneys required in aid of war finance by issuing war bonds in New Zealand.
- Provide a tax of 5 per cent. on all incomes, exclusive of those obtained from war profits.
- To regulate the transfer of moneys from the Dominion except for legitimate trade purposes.
- To regulate the rate of interest chargeable on deposits.
- Provide for financial assistance to friendly societies.
- Provide for borrowing an additional £12,000,000 for war purposes.

CONCLUSION.

It now only remains for me to say that I fully realize the tremendous growth of the public debt, due chiefly to the Great War ; but, although our responsibilities are increasing enormously, there is no need for misgivings as to the future. New Zealand has wonderful natural advantages, and owing to this fact and the patriotism of the people we are in the fortunate position of being able to meet all demands upon our finances. Individual sacrifices, no doubt, have to be made ; this is inseparable from the conditions that now exist, but the resources of the country as a whole are more than sufficient to bear the increased strain. I remind the country that there is a sinking fund for the repayment of all loans, including those raised and to be raised for war purposes.

The renewal and conversion of loans completed during the year for some years to come will greatly help in providing further financial requirements. The future financial outlook may be viewed with confidence.

It is not at any time a pleasant task to submit to the country proposals for increased taxation, but, in view of the justice of the cause for which the Motherland, with her Allies, is now fighting, I do so in full confidence that the people of this Dominion will be in the future, as they have ever been in the past, ready and willing to shoulder the additional burdens with unflinching courage. I feel sure that they will shrink from no sacrifice which will help in the overthrow of an unscrupulous enemy who has forced an unjust war upon the British Empire and those great countries associated with her.

I thank honourable members for the courtesy and patience they have been good enough to extend to me.