the tendency is necessarily to consider every estate as if it were being left to a large number of helpless children: naturally the exemption from tax must be high enough to provide for this case of greatest hardship. Where inheritance is taxed, however, it is possible to make the ordinary income tax allowances for incomo status. It would not, of course, be fair to consider inheritance as income in a single year, but averaging of bequests over a period of ten years (for example) might permit the integration of inheritance with income. An individual receiving an inheritance of (say) £P 1,000 might be required to add £P 100 to his individual income each year for ten years in calculating his individual income tax liability. Through a technique of this kind, inheritance taxation can become a very important and relatively stable element of a revenue system.

EXPANSION OF PUBLIC SERVICES

Some of the largest areas of public financing -- those requiring investmentsor one-time, non-income-earning outlays -- have been reviewed above. They include care of immigrants, irrigation works, power development, intensification of farming, low-cost housing, building of schools, port and railway development, etc. If there is to be large-scale immigration, some public financing will be required in each of these fields. Quasi-public expenditures in the same fields will require Government assistance and coordination.

As indicated in Chapters 23 and 24 above, much public expenditure on current account will be required in irrigation and agriculture apart from the capital investment for irrigation and equipment of more intensive farms. If the country is to make full use of its water resources, Government must take a more active part in water research, where the load is now being carried primarily by private bodies and Jewish national institutions. Comprehensive research is required in geological structure and