

## INCOME-TAX MINIMUM.

I direct attention to the minimum upon which income-tax is charged in this Dominion. So far as I can ascertain, the amount at which we start to levy income-tax is the highest in the world—by that I mean we exclude from the payment of any tax all those who receive wages or salaries not exceeding £300 per annum. Nothing is proposed in the direction of increasing the income-tax revenue by reducing the minimum upon which income-tax is leviable, but it will become a question for serious consideration if the war continues beyond the end of next year whether this should not be done. It is only right that those who are well-to-do or possessors of wealth should contribute the greater proportion of the cost of this war, the successful winning of which means such enormous advantages to them as well as to every other section of the community. Even the humblest in the land would probably take exception to being altogether excluded under the law from making some slight contribution towards helping to win the war and towards assisting to maintain a pensions scheme for the benefit of the widows and dependants of those who are, on behalf of every class, great or small, throughout the Dominion, fighting for the freedom of this country.

## WAR BONDS.

I will also ask the House to provide for a system of war bonds to be issued in New Zealand, with a currency of twenty-five years, bearing interest at  $4\frac{1}{2}$  per cent. free of income-tax. This will enable those desirous of helping war finance to do so. The financial requirements during the year will be obtained partly from the Old Country and partly from New Zealand, and will, of course, be limited to the Dominion's needs.

The course I am suggesting will give those desirous of helping the Motherland the opportunity of doing so. Our war expenditure is now reaching very large figures, but the proposals I am submitting will, in my opinion, supply the means for providing everything that is necessary for the pensions, equipment, transport, and pay of our soldiers, and this must be the first duty of the country during the crisis through which the Empire is now passing. I hope not only to supply the necessary means for current requirements, but eventually to provide for the full repayment of the loans received from the Imperial Government for war purposes. It would, of course, be impossible at present to continue the war expenditure without assistance from the Home-land. For the months of May and June it has been found possible to reduce the usual Imperial contribution by more than half, owing to the assistance derived from local investments, and it will be my endeavour in the future to continue to relieve the Imperial Government to the fullest extent possible. How far this can be accomplished will largely depend upon the total amount we obtain from tax on war profits and from the special income-tax, but I feel justified in saying that the amount will be considerable.

I wish to point out that no additional taxation is being suggested, except to provide for war expenditure, and though the extra tax may be severely felt by some of those who will be called upon to respond to the needs of the country during the war, they will, I am sure, cheerfully accept the additional burdens which are essential to achieve the final victory in this great conflict. It may be necessary as soon as I know definitely what amount is required for authorization on the supplementary estimates to ask the House to provide for an increase of taxation to further strengthen the consolidated revenue. I shall inform the House when I am in a position to do so.

## MONEY IN DOMINION.

It is, in my opinion, the duty of those who own or control money made in this country to utilize it in the Dominion as much as possible during the currency of the war, in order to help to maintain the stability of the trade and commerce of the country. I propose to ask the House for authority to