

its flotation should relieve the "wait-and-see" attitude which has made investors dubious about other openings for their money. We have had news from America of a weakening of high prices for many lines of commodities, showing that the Allies are becoming self-contained in their production of munitions of war. This hopeful phase will surely be reflected in a lowering of prices of imported materials here with good results upon our handicapped building trade.

Constitution-Makers at Work

Enthusiastic and well-informed political students are busy upon the biggest after-the-war problem facing our great Empire. This is nothing less than the creation of a Constitution for the Empire itself. Advocates of such a piece of political mechanism have, in the past, undertaken a thankless task. They have had to face the boast that the English Constitution is so admirable because it is unwritten, while other critics, who realise the gigantic nature of the task, the many delicate questions likely to arise during the constitution-framing process, urge the value of "leave well alone." But blood-stirring events have happened since Sir Joseph Ward's well-meant effort in favour of Imperial federation at the 1911 Imperial Conference was somewhat coldly shelved. The Dominions have proved their manhood, their right to have a say in the most vital questions affecting the Empire as a whole, and some organisation is needed for the smooth operation of this accepted principle. We have been promised a voice in settling peace terms, which is a tremendous forward step, and the outcome of the practical loyalty of the Dominions will undoubtedly be a closer binding of the ties which stood so stern a test. New Zealanders have been fortunate in hearing first-hand from Mr Lionel Curtis, the chosen mouth-piece of the "Round-Table" group of political students, the well devised, carefully considered plan of Imperial reorganisation which this school of thinkers advocates. The stern unveiling of facts in the stress of war has shown us the bedrock of our being; and in the view of Mr Curtis, set out in his book, "The Problem of the Commonwealth," it is bedrock truth that all of us who are of the Commonwealth are one body, and that we all have to carry, as one body, a burden which is common to us all. We shall all have to join in carrying the finance of a foreign policy which is the common element, and the most common element, of the Commonwealth: and because we must carry that finance together we must control together the foreign policy of which it is the thews and sinews.

An Imperial Parliament

There can be no taxation without representation. New Zealand has, in its loyalty, waived that great principle in its policy of subsidising the Imperial Navy, but the "Round Table" scheme provides for an Imperial Parliament, elected by the electors of the United Kingdom and the self-governing Dominions. This Parliament will in turn create a Cabinet responsible to the whole Empire for foreign policy, and its absolute corollary, defence. New Zealanders, resourceful and self-confident as they are, will possibly gasp at the suggestion of taking a direct share in the government of India, but Mr. Curtis, in his elaborate plan, provides for this and presents good arguments why the whole Empire should take up this great task. The English elector will probably have a good deal to say over

the suggestion that his hitherto exclusive privileges should be shared with kith and kin beyond the seas, but such a Parliament as is suggested would serve a valuable purpose in Home politics, where domestic affairs are apt to become mixed inextricably with larger issues, to the general prejudice of all questions. An Imperial Parliament would enable electors to cast their imperial votes upon clear imperial issues, unclouded by questions of internal administration, which would continue to be dealt with as they are to-day. Mr. Curtis, thorough as he is in most respects, adopts the politician's well-worn expedient of a commission when suggesting a basis of financial quotas as between the various parts of the Empire. This course would undoubtedly have to be followed if the scheme is adopted, but we would have liked a more elaborate analysis of this important part of the problem. New Zealand's taxable capacity, and its wealth, can be readily ascertained, but in determining the ratio of contributions compared with England, regard must be had to the fact that many millions of British wealth are invested in New Zealand, and that the British taxpayer, in guarding our trade revenues, is not performing that splendid service for our sake alone. Those who believe in the power of sentiment, the strong ties of blood, race, and kinship, will be entitled to be heard in this important controversy, and they will be lucky indeed if they secure an advocate as capable as the author of "The Problem of the Commonwealth."

Revenue or Loan?

Wellington City Council is partial to a policy of raising as much revenue from rates as possible, supplementing it with rents from municipal lands—it owns a large area of city blocks—and building up excellent reserves in connection with its tramway and lighting concerns. Then with an everflowing treasury, the development works of the city can be carried on without the necessity of raising loans, involving the sanction of the ratepayers. A tramway extension costing over £40,000 was carried out last year without consulting the ratepayers, finance being arranged by borrowing from reserve funds and pledging revenue. To borrow money from a fund intended to counterbalance depreciation of an asset, and then to spend the borrowed money upon the same kind of depreciating asset does not seem good finance. Nor is it fair to the present-day ratepayers to tax them heavily so that the city may pay outright for improvements which posterity, to remote generations will enjoy. Posterity may well be called upon to pay the last few instalments of interest, and put the coping-stone on the sinking fund! However the Wellington City Council admits that it is afraid of the ratepayers, who are too conservatively-minded over spending money. An interesting argument over this question has been going on between the Mayor and the Greater Wellington Town Planning and Municipal Electors Association. The Mayor has pointed with justifiable pride to large sums spent out of revenue, upon beautifying the city, but the Association is on sound ground when it urges the city managers to spread the burden over a longer period. If spare revenue is used in meeting interest and liberal sinking fund it would certainly go further than if it is relied upon as the sole source of supply for new works. The usual complaint about local bodies is that they are too prone to "splash" borrowed money upon ambitious schemes, but here we have an instructive case to the contrary.