

N·Z·BUILDING· PROGRESS

HEAVY TAXATION.

As the whole world seems to be settling down to a more solid basis of business, the time has arrived in New Zealand when the Government should determinedly face the evil of inflated currency and also attempt to reduce its abnormally high taxation. The war surtax on incomes has remained in operation so long that it has now become a serious burden to the commercial community. This year's payments are, of course, being made on the basis of last year's profits. At that time the process of "passing it on" was in full operation, but the poor, patient public has reached the limit of its possibilities in this respect, and extravagance is giving place to more care in buying. Traders who promptly invested last year's boom profits in goods to be sold—vain thought!—at boom prices find a difficulty in meeting their income tax, especially when the compulsory loan has also to be provided for. It must be quite evident to the Minister of Finance that the millions which flowed so easily into the Treasury through the income tax channel are not to be obtained next year, and he would be wise in fixing a reduced rate for the current year in respect of taxation to be paid next January. The short session gives this opportunity, and we hope that the chance will be taken, as a definite reduction in the income tax will enable a number of hard-hit firms and companies to face the year with a good chance of keeping off the financial rocks during the storms which seem inevitable.

INSTALMENT PAYMENTS OF INCOME TAX.

We cannot understand why the New Zealand income tax is collected so late after the closing of the year in respect to which it is paid. Things move slowly in connection with affairs Governmental, especially where money is concerned, but the existence of a British precedent for collection of income tax by instalments should be enough to guarantee that there is nothing ruinously revolutionary about the idea. In normal times, the Government habitually has to borrow, on short-dated bills, a large sum every year in anticipation of revenue to be received through the land and income taxation. This taxation is usually paid on

the basis of the year ended March 31st, yet the Treasury does not get the money for nearly a twelvemonth, and has to issue Government I.O.U's until it arrives. The unsoundness of the practice has been criticised by the present Prime Minister in his capacity as an Oppositionist, but he has made no change himself. Possibly this is due to the upsetting influence of war conditions, but the times are now ripe for an improvement in our taxation methods, and we hope he will consider this matter. It would actually pay the Government to allow a small rebate on the first instalment of income tax if it was paid in the first half of the financial year. Large taxpayers have to make provision for their income tax liability, and if they could hand over a portion of the sum a few months in advance, and share in the saving made by the avoidance of Treasury bills, it would be an inducement to do so and a saving to the Government. Even if this is not accepted, the instalment principle of payment should be adopted. What is even more imperative is the necessity for removing the war tax when no war exists.

THE NATURE OF WAR MEMORIALS.

Our friend Mr. Hurst Seager returns to the charge in regard to a national highway as a permanent war memorial to the sacrifices made by our brave men in the Great War. The subject is almost past debate in New Zealand, as the Government has decided upon a non-utilitarian memorial in the vicinity of the Dominion's capital, but it is fair to Mr. Hurst Seager to say that he put forward the idea in January, 1919, with a view to securing something more than a roadway. In the circular he sent out at the time to the municipalities, he pointed out that monuments should be erected along the road at frequent intervals, bearing the names of men from the district who had made the great sacrifice. There should be commemorative mile-stones along the roadway, and columns and arches forming the entrance to towns and cities. Throughout the length of the road, he suggested, there should be formed self-contained garden cities on town-planning lines, formed not only as a repatriation scheme but as a means of increasing the country's productivity. "Whatever amount is