

## JOINT-STOCK COMPANIES.

We propose, Sir, to equalize the burdens of taxation still further, by imposing an Income-Tax on Joint-stock Companies transacting business in the colony. The first and greatest objection to a general income-tax, that of false declarations, does not apply to companies whose profits require to be published. The capital, moreover, invested in companies differs from the capital a private individual employs in his business; the first being generally the accumulated savings of the investor, over and above what he requires in his trade or profession. In the credit and prosperity of the colony these companies directly participate, while many of their shareholders live out of the colony, and, without effort or responsibility to other forms of taxation, continue to draw away their profits. We think, Sir, that to impose a tax of 3d. in the pound on the net profits of all joint-stock companies registered or trading in the colony, will not show any want of appreciation of their value or enterprise, or in the least discourage this form of coöperation; but that, on the contrary, more than a corresponding benefit will be returned in the prosperity and contentment of the people. A careful estimate of the paid-up capital and profits of the companies shows an annual income of £800,000; and 3d. in the pound, or  $1\frac{1}{4}$  per cent., will yield £10,000 to the revenue. There is a large proportion of the companies which pay no dividends, and any attempt to tax the paid-up capital by means of an increased stamp duty (an alternative plan) would fall with great severity; but no company, showing a net profit for disposal at the end of the year, can reasonably object to pay in taxation so small a percentage as 3d. in every pound of their income. We have no doubt, Sir, but that the companies will admit we have treated them with consideration, and with a due regard for the important interests involved.

## BEER TAX.

I have referred to the relief given to the brewers by the remission of one-half the Sugar Duties. The quantity of sugar returned as used in the breweries of the colony in 1876 was 2,271,600 lbs., yielding in duty £9,465. Supposing the same quantity consumed, the relief to this industry is £4,732. The total duty paid by the brewers under the existing tariff, on the materials, malt, hops, and sugar, is about 2s. 8d. per hogshead. If the average value per hogshead be £5, the duty paid but slightly exceeds  $2\frac{1}{2}$  per cent.; and, with the remission on Sugar, the duty will be reduced to less than 2 per cent. Now, we are able to compare the position of the beer-drinkers in the colony with those of the mother country, where the different taxes on materials, and licenses, constitute a duty of from 18 to 23 per cent. on the trade prices of beer. If the position were reversed, the colonial consumer would have no right to complain, for the wages test would still be in his favour. At present he almost escapes taxation on this article. The amount of duty paid by the brewers on malt in 1876 was £2,654, and on hops £4,832. Now, the importations of malt are declining, £1,593 having only been collected on this head last year, and on hops £4,136, and in a few years it is probable the whole of the malt used will be produced within the colony. The production of colonial hops is also progressing, so that the duty derived from the importation of these articles is not likely to be maintained. It will thus be seen that from all but a revenue point of view these facts are satisfactory.

Well, Sir, we think the beer-drinker will concur in the great moderation of our proposals if we ask him to contribute a beer tax of  $1\frac{1}{2}$ d. a gallon. It may be said that the consumer will not pay the tax at all, but that it will come out of the profits of the brewer, or of the retailer. It is only in accordance with sound economic doctrines to suppose that all such changes ultimately affect the consumer only, and I do not wish to reason away the conclusion. How, then, will he stand? He may certainly save his tax by drinking so much less beer; but, as the habit of indulgence is stronger than self-denial, there is no ground to anticipate in that respect an appreciable falling off. The tax on beer will then stand at  $6\frac{1}{2}$  per cent., in addition to the 2 per cent. at present contributed indirectly on the materials, or a total duty of  $8\frac{1}{2}$  per cent.—a per centage considerably less than one-half the duty received from the same source from the people of England. I estimate the consumption in the colony at 5,000,000 gallons, though there is some ground for