

| Assessable Income. | Total Taxation during Year ended 31st March, 1946. | Present Residue. | Residue under Present Proposals. | Increase in Residue over Previous Year. |
|--------------------|--|------------------|----------------------------------|---|
| £ | £ | £ | £ | £ |
| 2,000 | 805 | 1,195 | 1,321 | 126 |
| 5,000 | 2,847 | 2,153 | 2,583 | 430 |
| 7,000 | 4,673 | 2,327 | 2,990 | 663 |
| 10,000 | 7,028 | 2,972 | 3,968 | 996 |

These adjustments, it is hoped, will provide that measure of encouragement for workers and employers alike to assist in the restoration of peacetime industry to the maximum extent possible.

Gold Export Duty

Another tax which was specially imposed for war purposes was the additional gold export duty imposed in 1939. Under the circumstances it is now proposed to abolish the whole of this additional charge which should assist materially in gold-mining operations in the Dominion.

Primage Duty on Books and Periodicals

In response to representations made at the conference of book-sellers on 19th March last, the Government have decided to remove the 3 per cent. primage duty from books and periodicals on the understanding that book-prices to the public will be reduced by 5 per cent. The necessary Order in Council has been passed and will come into operation to-morrow, the 16th instant.

Sales Tax

The present rates of sales tax are high and were designed, firstly, to provide portion of the revenue required for war purposes, and, secondly, to discourage expenditure on consumer goods during the war period. The Government proposes to make the maximum reductions possible with the funds available as quickly as possible. One method would be to reduce all items bearing a 20 per cent. sales tax to, say, 10 per cent. Such an adjustment, however, would have the disadvantage that it would not benefit such items as timber and clothing, which are already taxed at the rate of 10 per cent. The Government are particularly anxious to reduce building costs, while clothing is an essential item in living costs, and any savings would be of direct benefit to the public. Consequently, as an alternative to a general reduction from 20 per cent. to 10 per cent., the Tariff Schedule has been carefully examined, and it is proposed to make individual reductions according to the necessities of the particular items with the object of benefiting families and home-builders. To this end it has been decided to abolish entirely the sales tax on (a)