

sound and lucrative commercial proposition. When we find the family mansions of last generation of New Zealand business men let out in "rooms" for city folk, we wonder why shrewd and far-seeing investors have not given the community something better than these makeshift dwellings, shorn of former glory. It would not be a leap in the dark. The flat system has been perfected in older countries, and we have many New Zealand architects who could plan these buildings to best advantage, embodying all the good points of other peoples' experience, while deferring to the tastes of New Zealanders.

### Timid Capital

A cynical person once declared that there is nothing more timid than a man with a million sterling—except the man with two millions! The truth of this is quite evident in New Zealand. About twenty millions sterling, two seasons' savings of the Dominion, lie almost unused in our banks because investors are too timid to launch out. Perhaps many who favour building schemes are waiting till prices of materials come down. Certainly most things are not encouraging in that way. But will they be any better when peace comes, and all the pent-up energy of the waiting ones is let loose upon a busy world? First call on the resources of English and European factories must be to repair the ravages of war. We are a long way off, and we may have to take second place in the matter of supplies for some time after the old world begins to get on its industrial feet. War taxation makes people cautious, and labour shortage frightens others. Discussing this lethargy among investors, the Wellington "Post" deals with that part of the Finance Bill providing that the excess profits tax of 45 per cent. be levied on the returns (above 6 per cent.) from land and buildings. In equity, the Wellington Chamber of Commerce urges that the 6 per cent. should be net; that is, that repairs, depreciation, and other outgoings should be allowed for. Most people who have any knowledge of a landlord's troubles over repairs and bad debts will, says the "Post," agree with the principle that the 6 per cent. return should be net. If that is conceded, the landlord, it seems to the "Post," has no further grievance, because a net return of 6 per cent. is not a bad result in war time; and because the landlord who does get into higher percentages is still allowed to retain 55 per cent of the excess.

### Businesses and the War Tax

Incomes derived from employment are exempt from the 45 per cent tax on excess profits, but the architect carries on a business, and is therefore liable—that is if he has been lucky enough to make war profits! If the Finance Act operates without regard to special circumstances it would inflict serious hardship upon the proprietors of growing businesses, and particularly those which depend wholly on individual exertion. The young professional man who began to work up his connection just before the war, and who now enjoys a fairly good income, would be taxed heavier than the owner of a flourishing business which has made good profits all the time, maintaining, but not exceeding average profits, during war-time. Unless the profits exceed those of pre-war years, there is no 45 per cent. excess profits tax. Obviously, it would be grossly unjust to regard the growing income of a new business as all "excess profits," and we are glad to say that the Rt. Hon. Sir Joseph Ward recognises the

importance of this point. In moving the second reading of the Finance Act, he promised Parliament that this matter would receive attention from the Land and Income Tax Department. Provision, said the Finance Minister, would be made to see that no hardship was inflicted on young professional men who had just started in business and who were making higher profits, not because of the war, but in spite of the war. But they would not be altogether relieved of contributing to the cost of the war, provided they earned over £300 a year. The last reference is to the income tax. It is 8d. in the £ on the incomes of £300 and in that vicinity, plus a special war-tax addition of 6d. in the £ up to £900, then 1/- in the £ upon higher sums. This will be fairly heavy impost on professional men just now, but in view of the object on which their income-tax is being expended, they will pay cheerfully, hoping the good result of sacrifice will speedily come in a knock-out blow against the Central powers.

### Timber Supplies

We welcome the formation of an organisation of New Zealand private citizens to promote afforestation. It is well supported by influential people, some of whom hold, we think unfairly, that the Government has done nothing in the matter. Very valuable work has been accomplished by the Forestry Department, a section of the Crown Lands Department. Wasted volcanic plains in the Waioapu district are beginning to become verdant and productive, thanks to the useful work of the Prisons Department backed by expert foresters. Much of the pioneer work of forestry in New Zealand has been done, and when public interest is sufficiently aroused, the Government will be induced to invest more money in this tremendously fine reproductive work. While we are so much concerned about our wasting forests, we have the encouraging spectacle of an official visitor from British Columbia, Mr. H. R. McMillan, principal of the British Columbian Forestry Department, who for the last sixteen months, has been touring the world to find fresh markets for the surplus timber of the thickly-wooded surface of the Rocky Mountains. Mr. McMillan points out that so far the afforestation problems of Canada had been comparatively simple, for there was a very great surplus of timber in British Columbia such as was now being exported for building purposes from the United States to Australia, and to a lesser extent to New Zealand. Although he was an official of the British Columbia Forestry Department, he was now touring under Dominion auspices looking for fresh markets, in the Empire and without, for the timbers of Canada. The native timber of British Columbia was practically the same as that exported by the United States, and the present move of the Trade and Commerce Department was to get information as to how exporters should organise to take a more important part in the timber exporting industry. The position in British Columbia in regard to forestry, pointed out Mr. McMillan, was totally dissimilar to that of New Zealand, where problems of afforestation were already commanding public attention owing to the timber output being insufficient to meet the demands of the country. Mr. McMillan's remarks give hope to us that a well thought-out scheme of planting waste areas with quick-growing trees would soon relieve the Dominion of any fear of timber famine.