

# GOVERNMENT SHOULD LOWER TAXES, NOT RAISE THEM

I HAVE followed reports on how much in debt the country is and the debates in Parliament regarding the raising of personal taxes with interest.

I do not know why socialist-type governments continue to think they can tax themselves out of debt; the working person can only sustain so much taxation, especially with the large increase in electricity looming.

The Democratic Party in the US does exactly the same thing as the ANC; maybe they should consider lowering the tax burden on the working people.

If the PAYE rate is lowered it would put more money into the pockets of the working "minority", thereby giving them more disposable cash to spend. With the consumers spending more money, retailers will sell more and

manufacturers will supply retailers with more products.

Now with all this selling and manufacturing going on there will be a need to hire more retail, wholesale and manufacturing employees, thereby cutting the unemployment rate and adding more taxpayers contributing to the government coffers. It is a cycle that will keep increasing.

The more disposable cash people

have the more they spend, the more people are hired to handle the increased business, etc.

Raising taxes will have the opposite effect, with people having less disposable cash, spending less money, retailers doing less business, ordering less from manufacturers, then retailers, wholesalers and manufacturers having to downsize; that increases unemployment, and decreases contributions to the tax

base, and the government will then have to raise taxes again.

The government should stop giving people handouts; they should rather encourage people to be self-sufficient by giving them vouchers for education, giving businesses incentives such as tax breaks to train the unemployable.

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