WHERE TO FROM HERE?

The following address was given by Mr. Bob Keall, New Zealand Crown Leasehold Association, at Melbourne on July 11, 1991.

Georgists around the world have cause to be dismayed, despondent and exasperated at the lack of progress we have made after more than 100 years; the difficulty of selling our cause to a world that cries out for it; the slowness with which we make any gains and the speed with which the gains we do make are taken from us.

In New Zealand in recent years we have had a Labour Minister of Finance in Roger Douglas who, until 1968 was a member of our Association, as was his father, a past President of the Labour Party. You would expect that, with that background, some crumb of encouragement would be cast our way. There was talk of a Resource Tax but no steps were ever taken toward it – not even an increase in the Land Tax. As an accountant he confused Land with Capital believing that capital invested in Queen Street generated jobs. Under A.R.V. Rating it doesn't – the reverse in fact.

You would expect that Michael Bassett, a Labour Minister for Local Government about to re-structure it on a regional basis, would recognise the relevance of a rating system adopted by poll in 81% of all local authorities and in 90% of municipalities, i.e. where the people are not the goats and the Wapiti. But no, he first contrived a reversion to Capital Value Rating in Christchurch, Dunedin and in Wellington. He then abolished the right to a poll and appointed a Local Government Commission to implement the restructuring which, wherever possible, imposed Capital Value Rating. Finally he proposed that Capital Value Rating then in place or adopted later (by any council now) would be irreversible. A century of progress, democratically achieved, mindlessly jeopardised and undone.

You would expect that as a Professor of History he would understand the philosophical evolution occurring, from the laissez-faire of last century to the communism of this, and the reconciliation of the two. But no. Even the prospect of electoral defeat due to rising unemployment seemed only to quicken their suicidal frenzy and their opposition to the key factor that would justify or at least accommodate all else.

Douglas' successor Caygill, after first in 1989 lowering the rate of Land Tax but widening the base in 1990, in a bid to pre-empt National Party policy, abolished the tax in two steps, the last step this year. In so doing he did for the Tories what not even they had ever done themselves in 100 years. He has since asked to be relieved of the Finance spokesmanship in Opposition. What is there to oppose?

The combination of ignorance, inertia and intrigue, of cupidity and stupidity, baffles the best of us. Where to from here?

THE PROPOSAL

That the Georgist movement around the world concentrate its resources on a constitutional court action requiring the Crown to collect the rent of land for revenue. It is a constitutional issue and must be mounted as such.

Preferably this should be done in New Zealand because of the clinical conditions there. All the global issues of history and this day are being hammered out there at increasing speed and under increasing pressure. There is good evidential history in New Zealand and the jurisprudence of British Law still applies.

THE CASE

1. The "estate in fee simple" title granted by the Crown, under which land is held not owned, by definition implies an obligation.

   Fee is a derivative of fief or trust originally granted by the King to certain Barons in return for services to be rendered in time of battle and/or on state occasions – an acknowledgement of the trust.

   About the time of Runnymede (1215) the Barons not only curtailed the King's tyrannical rule without trial but at the same time entrenched their privilege by satisfying their obligations in other ways e.g. a beer tax, other levies on the poor and then the enclosure of the Commons.

   This privilege the Barons arrogated to themselves has become fragmented till today it is bought and sold as a freehold title i.e. the right to claim the economic rent, with income and other taxes in lieu.

2. So the "estate in fee simple" is essentially a lease on trust, without specified obligations, conditions or term i.e. an open-ended lease.

   This basic status readily admits the inclusion of more stringent terms such as Town Planning ordinances, environmental regulations and the like, as terms of the lease which recognises and gives effect to a fundamental social relationship – the Crown and subject; the community and the individual; landlord and life-tenant.

THE EVIDENCE

The empirical evidence is too vast to recite here and would have to be topical at the time of the case. It might include the recent graphic evidence in Australia, New Zealand and elsewhere showing staggering increases in land prices causing zero increases in wages, thereby eventually bursting the bubble of unsupportable speculation in natural resources rather than their use which generates full employment and prosperity.

As a matter of demonstrable practicability the evidence would have to include the extent of Land Value Rating and Land Tax in Australia and New Zealand, the Crown Leases of Hong Kong, Australia and New Zealand, and similar experience in Denmark, U.S.A. and elsewhere.

THE POLITICS

The case could readily postulate the resolution of basic political issues; the reconciliation of left and right; the similarity between native lore and the jurisprudence of British law; the means of implementing Green policies and so on.

THE METHOD

Assuming judgement in our favour we would be expected to propose the method of implementing it which is not the main purpose of this paper. In general however whether as interim or permanent measures –

1. All Land Value charges – Rates, Taxes or Leasehold rentals etc. should be Taxation Credits to be set against any other taxes payable.

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2. Crown and Public Body Leases should be updated and reviewed annually. In New Zealand, Regional Government is the obvious administrative unit.
3. A moratorium on present titles should be set at say 50 years hence, as proposed by Justice Else-Mitchell.
4. Such other mechanics as Georgists, professional lawyers, valuers or administrators might recommend to apply the principle appropriately to broad acres, city sites, minerals, water, radio/TV channels or whatever else.

   If native races can collectively lay claim to what they regard as theirs in order to secure some measure of individual rights, surely we can successfully propose a range of western techniques (tax, lease, licence, royalty, fee) that will satisfy both collective and individual rights for the rest of us if not in fact for all of us.

CONCLUSION

The publicity of such a case would command the attention of all at no cost. The issue, the evidence and the consequences would be projected into centre stage for all to examine, support or to contest if they dared. Even if the case failed legally the publicity would make it imperative politically.

For over 100 years, hundreds of years, this enormous social rort has gone uncontested, contrary to the fundamentals of British jurisprudence and the commands of Scripture: "Your land must not be sold on a permanent basis because you do not own it." (Lev. 25:23).

This is not a mere political, fiscal or economic measure. It is a constitutional issue and must be addressed as such. If a constitutional lawyer can conjure up a Bill of Human Rights impossible of implementation without our case and unnecessary with it, surely we can construct a case based on all the specifics we have available to us. We must make a constitutional issue of it and require the Crown to enforce the obligations legally due to it.