

New Zealand Rating Polls

Six or seven further polls of ratepayers to decide whether to adopt land-value rating may be held in New Zealand this year. The news is given in the annual report (presented in May to the A.G.M. of members) of the N.Z. League for the Taxation of Land Values. If expectations are realised, the most important will be held in November in Hutt City which, apart from Auckland, is the only city that levies its rates on the assessed value of land and buildings taken together, thus penalising development. (As reported in our previous issue, a special sub-committee appointed by the Auckland City Council has strongly recommended that that city should change to the rating of land values.) Other polls are expected to be organised in the following counties: Rotorua, Franklin, Waimea, Taupo, and the borough of Motueka.

Since the previous annual report was published, five polls were held, and each gave a victory to the land-value principle. They were:

	To adopt L.V.R.	Against
July, 1955—		
Kiwitea County	673	75
November, 1955—		
Pukekohe Borough*	428	403
Waiterere County Township ...	84	11
March, 1956—		
Mangere East County Township*	616	209
May, 1956—		
Eyre County	309	287

* Previously reported in *Land & Liberty*.

A New South Wales Proposal

New State Land Tax legislation is expected to be introduced shortly in New South Wales. The August issue of our Sydney contemporary, *The Standard*, reported that nothing was then known about the proposed measure beyond the public announcement that a rather high exemption from liability would apply. The N.S.W. Free Trade and Land Values League had made representations to the State Premier, expressing opposition in principle to any such exemptions on the grounds that they would distort a measure of social justice into a discriminatory sectional levy, and would needlessly complicate the administration of the tax.

The Standard further reported that vested interests, with customary alacrity and little regard for the truth, had promoted a vigorous campaign against the proposal. Relying on public ignorance of economic laws, they were asserting that imposition of a state tax on land values would price agricultural products out of world markets, and that manufacturers and department stores would "pass on" the tax to consumers in increased prices. Rather acidly, *The Standard* commented: "The spokesmen of vested interests fight the tax tooth and nail actually because they know that it cannot be passed on but has to be paid for out of their own pockets. They have even proposed that the deficit in the State Budget should be made up from income tax instead of the land tax."

The L.V. & F.T. League has taken steps to counter the false arguments uttered by those who enrich themselves with the publicly-created rental value of land. It could profitably invite opponents to cite a single instance of the local taxes (rates) on land values having the economic effect which they allege a state tax will have.

"Wanton Speculation" in Montreal

VALUATION OF CITY BUILDING LOTS

The director of the valuation department in Montreal, Mr. Camille R. Godin, announced on July 18, that it had been decided to establish a division charged with ascertaining the value of building lots in that city.

According to *La Presse*, Montreal, Mr. Godin said: "We are presently going through a period of considerable enhancement in the price of immovable property. This change is more gradual and easier to estimate in the case of buildings, but the fluctuations are more sudden and considerable, I would even say out of hand, in certain cases involving vacant land."

"When the last assessment roll was deposited on December 1st, 1955, it was already possible to foresee these changes developing, but in a number of cases conflicting opinion, uncertainty regarding the utilisation of the site, and the wanton speculation which was going on prevented us from making a complete revision of the value of vacant sites in the city limits."

"The continuous development of the residential areas, and the installation of more public services around the periphery of Montreal have given a new value to districts which only yesterday were fields. Furthermore, improvements just completed and others only projected for certain thoroughfares such as the Dorchester and Metropolitan Boulevards, Burnside Street, and the Central Station (Canadian National Railways) cause considerable variations in the value of the land where they pass."

TEMPORARY TAX ABATEMENT ON NEW HOUSES

Mr. Godin spoke also about the temporary abatement of the tax on newly constructed dwellings which had been introduced "to encourage the building of dwellings serving as homes for their owners." The abatement, in general, amounts to one half of the taxes on the building on new one and two-family dwellings, and is for a period of fifteen years. The abatement is granted only if the new house (or part of it) is occupied by the owner, and subject to certain other conditions relating to its size and value.

Our Montreal correspondent, when sending this clipping commented that assessments in that city have been quite unrealistic. For instance, his own lot on the Dorchester Boulevard in the city centre was valued at \$1,000 from 1927 until 1943. The following year the assessment was actually reduced to \$950, and it has remained unaltered ever since. Comparing it with other land on Dorchester Boulevard recently offered for sale, our correspondent estimated that the present value of his \$950 lot is actually in excess of \$5,000. This is, he says, "a miserable fallacy of a system. Mr. Godin may improve it and perhaps the rate of the composite tax may become less, but as long as the taxes on building values are not gradually shifted from them and on to land values, there will be no hope for the individual owner living in his own dwelling nor for the citizens living in rented residences. They will go on paying through the nose—for the benefit of land monopolists, speculators and big property owners."

Land was given by the Creator for improvement and cultivation, not for speculation, and speculation in land should receive no encouragement from legislation or courts of justice.—Louisiana Supreme Court Decision, in *Burrows v. Pierce*, 1951.