

## LAND VALUES IN THE NEW ZEALAND PARLIAMENT

In the New Zealand Parliament, September 23, the Minister of Internal Affairs, Sir William Bodkin, moved the committal stage of a Rating Amendment Bill introduced by the Nationalist Government in response to the long standing request of the local authorities. The Bill makes a number of minor amendments to existing rating law, and gives local bodies wider permissive powers to remit rates in certain circumstances. While giving general support to the Bill, Members of the Labour Opposition—including two representing constituencies in Dunedin, the City that by poll of its ratepayers recently adopted the rating of land values—sought to extend its provisions so that in cases of individual hardship, local authorities would be empowered not merely to postpone but to remit rates.

### Homes on Dear Land—Rate Remission Sought

Mr. Connolly (Labour, Dunedin Central): Clause 5 authorises local authorities to postpone the payment of rates where such payment would cause serious hardship to the occupier. I believe that the local authority should have power to remit as well as to postpone the payment of rates in cases where the payment would cause serious hardship to the occupier. I am thinking of Dunedin, where some areas were merely swamps sixty years ago. Most of the land is leasehold, and people who have lived on it for the last sixty years have made representations to me that, although the value has increased, they themselves do not benefit. These people have been badly hit because of the change in the rating system, brought about very largely by artificially created increases in prices in the last four or five years. We find that costs generally have soared. I could quote many examples to show how rates have increased at an alarming rate. Here is one instance. The area is 990 sq. yds. In 1951 the rates were £16 17s. 11d.; in 1952, £20 12s. 7d.; in 1953, £21 12s. 0d.; and in 1954, £63 11s. 3d. I could quote many cases of real hardship if the occupiers were called upon to pay the full amount of rates. I could quote cases, where rates have advanced from £16 to £63, from £33 to £69, and from £47 to £94.

Mrs. McMillan (Labour, North Dunedin): The position in Dunedin is a special one because, the rating system having been changed to rating on the unimproved value, hardship has been created for many elderly people living in the heart of the City. They have lived in their homes there for the greater part of their lives and now, because of the proximity of their properties to the industrial parts of the city, the unimproved values have increased very considerably. It would seem that an injustice is going to be done to individuals placed in that position.

### Justice for Old People and the Community

Mr. Shand (Nationalist, Marlborough): If there is a residential property in an area which has a high potential value for, say manufacturing or industrial purposes, the value of the land is quite out of relation to the actual rental value of a house on that land in the present circumstances. There is an example of that in Picton. It applies to some very valuable land on the flat. There are houses in that area which do not have a high rental value as houses, yet the land could be sold at a high price because of its potential value as a site for an hotel or for industrial purposes. Clause 5 is aimed to get over that difficulty, in that the local body will be able to say, "We will postpone the rates because you cannot pay them in your life-

time." That is only justice, and this clause has been designed to find a fair way out of the difficulty. The value may be in the land, but the people may not have the current income to pay the rates. The local body may be able to say, "We appreciate your not having the income to pay the rates in the meantime, so we will let the rates stand by and they can be a charge against your property when you die. The money can then be collected from the estate." Under the present system, if the local body remitted the rates it would relieve the estate, or those people who would benefit from the estate, of all charges. It would be allowing the people to go on living on land of high value with the knowledge that the effect of any remission which was given would revert to their children or to whoever they left the property to.

### "The Sensible Thing is to Sell Out"

Replying to the Debate, Sir William Bodkin said: I can give cases where old houses in an industrial area, rated on an unimproved value system, have had their rates increased from less than £20 to more than £100. That makes the land an uneconomic proposition for housing. The sensible thing to do is to sell out. Those houses which have been sold have realised thousands of pounds, sufficient to enable the owners to buy much better homes in residential areas and have good solid bank accounts as well. Do honourable Members opposite think it would be a fair proposition for the ratepayers to build up that little nest egg, already worth some thousands of pounds, not for the present occupiers but for their heirs? We are not taking property away; we are only postponing the payment of debts. Rates are a debt, and I have yet to learn that calling upon the beneficiaries in an estate to pay the debts due by the estate is disinheritance. This legislation enables the local bodies to accept a reasonable rate. If the home owner is paying £10 in rates to-day, and with rating on the unimproved value, the rates are increased to £50 or £100, the local body can accept a portion of the rates and postpone the balance, without any imposition of the 10 per cent penalty, until the old people feel they can sell the property, or until they pass on and their estates are wound up. Then it is only right, in the interests of the other ratepayers, that the debt which has been postponed should be paid.

### A PRECURSOR OF MALTHUS

We have been asked, who is the "Wallace" that is referred to by Henry George in *Progress and Poverty* in the chapter on the Malthusian theory? (Reference: p. 98. R.S.F. Edition; p. 72 of the H.G.F. Complete Edition; and p. 43 of the H.G.F. Condensed Edition). He is there spoken of as a precursor of Malthus. He is Robert Wallace (1697-1771) a dean of the Chapel Royal, Scotland. He was author of *Dissertation on the Numbers of Mankind in Ancient and Modern Times*, published in 1753. and referred to in McCulloch's *Literature of Political Economy*. He was author also of the book published in 1761 on *Various Prospects of Mankind, Nature and Providence*, a metaphysical economical and theological dogmatic treatise. By one passage he is believed to have stimulated Malthus—see the reference to "Mr. Malthus" in Hazlitt's *Spirit of the Age*.

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