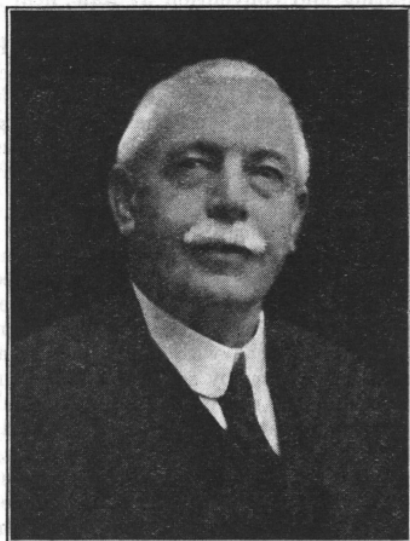


TWO NEW ZEALAND LEADERS



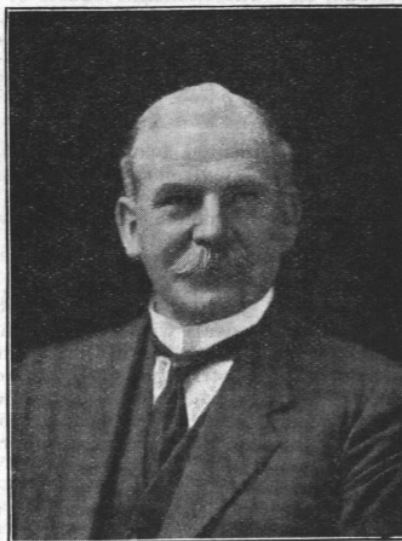
SIR GEORGE FOWLDS

Very familiar to our readers, who have followed the advance of the land value taxation movement in New Zealand, are two of its foremost champions, the Hon. (now Sir) George Fowlds and Patrick J. O'Regan.

SIR GEORGE FOWLDS is a native of Fenwick in Ayrshire. At the age of 22 he emigrated to South Africa. After three years spent in that country he went on to New Zealand, settling in Auckland, where he has succeeded in building up a large business as hatter and mercer. For years he has been actively associated with the public life of New Zealand and is well known for his devotion to every progressive cause. His resolution to give of his time and his talents in advancing human welfare was decided when in 1886 he first read *Progress and Poverty*. He at once became a disciple of Henry George, whose message has been his guide ever since.

In 1899 Sir George was elected to Parliament for Auckland and later (from 1902 to 1911) he represented Grey Lynn. During the five years, 1906 to 1911, he was Minister of Education and Public Health in the Ward Government, an office which he resigned as a protest against the refusal or the failure of the Ministry to advance a real radical policy. The *New Zealand Times* observed truly: "It may be taken for granted that the Single Tax is at the bottom of the severance. Mr Fowlds is an ardent believer in the doctrines of Henry George. Sir Joseph Ward is not. That simple statement is the key to the situation. Mr Fowlds would apparently have remained in the Ministry had the Prime Minister committed himself to a policy of increasing the taxation of land (values) and with the revenue so raised reducing railway freights and abolishing all duties on the necessities of life."

Sir George Fowlds had made his mark as one of the most sincere and earnest-minded members of the House; but at the following General Election he was defeated and he has not since sat in Parliament. His visits to Great Britain have been heartily welcomed by his colleagues in the British movement. On the last occasion, in 1914, he addressed meetings at many centres and especially instructed his audiences on the lessons gained from the progress in New Zealand. He was present at the Joseph Fels Memorial Meeting in the Caxton Hall, London, 15th May, 1914, and was the



PATRICK J. O'REGAN

guest at dinners given in his honour by the United Committee for the Taxation of Land Values and by the Land Values Group in the House of Commons.

While Sir George's interest in the Land Values and Free Trade movement is undiminished, of late his official energy has been concentrated chiefly on educational work, notably as President of the Auckland University College. He is fortunate in his son, Mr G. M. Fowlds, who likewise is devoted to the Henry George cause and as editor of the monthly journal, the *Liberator*, which he has directed for a number of years, is one of its most active and influential protagonists.

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MR PATRICK J. O'REGAN, the very active Vice-President of the New Zealand Land Values League, was born in Charleston, New Zealand, in 1869. He was publicly advocating the teachings of *Progress and Poverty* before his twenty-fourth year, and standing for Parliament he gained a victory at Inangahua, which he represented from 1893 to 1896. Failing to be returned at the following General Election, he commenced the study of law and after qualifying he quickly worked up a satisfactory practice in Wellington, where he is now regarded as the leading advocate in the Courts for compensation claims under the Employees Indemnity Act.

Mr O'Regan is a staunch Radical, taking a fearless stand on many questions both in the Press and on the platform. He is a powerful speaker of great persuasiveness and to no subject has he given more generously of his earnest purpose than to the Henry George cause. He is foremost in the campaign for taking advantage of the Act whereby local authorities can levy local taxation on land value and get rid of the burden on improvements. That movement has advanced so far that the system is in operation in 77 of the 120 Boroughs; in 54 of the 123 Counties; and 60 per cent of the Road Districts and Local Boards have enforced it. The movement has suffered only one set-back worth mentioning—that at Wanganui in June last, which we report elsewhere in these columns. In the 263 polls that have taken place in connection with local land value rating since 1896, there have been (apart from Wanganui) only 23 to rescind the system after adoption; and of these 23 only 5 have been successful, being in

very small places and recording a total vote of 722 against land value rating and 511 in favour.

The splendid victory in Wellington on 27th April, 1927 (reported in *Land & Liberty* of July last year), which caused the whole of the rates of the city to be levied on land values, was largely a personal triumph for Mr O'Regan, who for months gave up his Saturday afternoons and Sundays to collecting signatures for the requisition. And wherever there is opportunity for action in town or country Mr O'Regan is to be found organizing the forces and exhorting every sympathizer to do his utmost. Only recently he took the lead at a Conference in Auckland to promote land value rating there and get that city to follow in the footsteps of Wellington.

The spirit of Mr O'Regan in this fine public service is expressed in the address he gave after the Wellington contest to those who had fought so zealously with him:—

“Unjust taxation means that what is virtually an act of piracy is invested with the majesty of the law. As far as we Henry George men are concerned, we feel deeply that the public interest has been outraged by the politicians, who have dared to whittle down the national land tax. The rate revenue collected by local bodies in this country, however, is now about £5,000,000 annually, and we intend to persevere until every penny of it is taken from the unimproved value of land. We intend to proceed with this work as an act of reparation for the betrayal of the public interest involved in the reduction of the land tax. The time will come, of course, when the land tax will be rehabilitated, and I say deliberately that when a substantial reduction is made in Customs taxation and the loss recouped from the unimproved value of land, there will be no land question, no labour question, no housing question in this country. That way salvation lies.”

May such champions as Sir George Fowlds and Patrick J. O'Regan be long spared to carry on their good work. And nothing would be more gratifying than to see them, who are among the representatives for New Zealand on the Committee of the International Union, in attendance at the forthcoming Edinburgh International Conference to speak with authority and with encouragement for the progress achieved in their own country. A. W. M.

Wellington

As has been mentioned above, local taxation in Wellington is now levied wholly on land value and buildings and other improvements are entirely exempt. Since 1901 and until 1928, the rates in Wellington had been levied partly on land value alone and partly on the basis of annual value of land and improvements taken together. The change over to “all rates on land value” was decided by a poll of ratepayers held on 27th April, 1927, by a vote of 8,169 against 4,262 for “no change” (*Local Authorities Handbook*, 1928). In 1927-28 the rates on land value amounted to about £268,600, while the rates on “annual value” of land and improvements were about £138,400. This latter sum is now also transferred to land value alone, the change actually taking effect with the beginning of the financial year 1928-29. With no increase in the amount of the revenue raised, the new rates will be 7½d. in the £ of the unimproved capital value of the land.

Interesting results are reported in New Zealand papers just to hand. The *Budget* in a message from Wellington dated 20th July says that the new rate notices have been issued, and it is seen that the amount of rates levied on central properties as a whole has increased, while there has been a corresponding reduction on suburban properties as a whole. The Council is

not raising any more revenue than before; the taxation it levies is now being distributed strictly according to the assessed land value in each case and taxation on buildings and improvements is abolished. It follows naturally that, since the land value at the centre is higher in relation to the value of the improvements upon it than the average relation of land value to improvements over the whole city, more is got from the centre by rating land value alone than by rating land and improvements together. The high values at the centres of cities is of course well known and it is revealed wherever the separate valuation of land has been made. It is well illustrated in Copenhagen, for example, where in the Stock Exchange ward the land value (of built-upon land) is 46 per cent of the total value, while in a suburban residential ward the land value (of built-upon land) is 17 per cent of the total value; and for the whole city (all land whether built-upon or not) the land value is 35 per cent of total value. Instructive also is the fact that while the Stock Exchange ward makes up scarcely 1½ per cent of the total area of the town, it contains more than 20 per cent of the town's land value.

The concentration of land value at the centre also holds good of Wellington, as was shown in our article of July, 1927, where particulars of 82 central business properties were compared with those of 368 dwelling houses in the suburbs. It is found everywhere and in every rating area that the value of land varies not only as a sum of so much per yard or per acre but also in relation to the labour and capital that may profitably be spent upon it. Thus, in two ways, the law of rent is seen in operation. The dry statistics say in so many words that equal effort and equal expenditure on different lands yield different results; the excess yield in one spot over that in another is economic rent; and we see from the published figures within what wide limits the land value varies as a proportion of the total value, even where comparison is made of well-improved properties.

The change in Wellington works out precisely as was foreseen and proves again the justice of land value taxation. Under the old system of including improvements in the assessment, the burden is thrown heavily on the properties where the ratio of improvement is high; and this, to the relief of the owners of central sites where the ratio of improvements is low—as well as of the owners where the ratio is lower still because the land either at the centre or at the outskirts is held speculatively and has little if any improvement upon it. Land value rating transfers the burden where it belongs; the increased levy on land value must go hand in hand with the removal of taxation of industry and improvements.

Wanganui

The long continued series of victories for the land value rating principle in New Zealand has been interrupted by an unfortunate reverse in Wanganui. That city (population 24,420 with 8,033 persons entitled to vote) adopted land value rating after a poll in April, 1925, the voting being 2,280 for and 1,733 against. An agitation to go back to the assessment previously in force, the capital value of land plus improvements, caused a poll to be taken on 27th June last, the result being a victory for reaction by 2,413 votes to 1,924. According to the law, there cannot be a further appeal to the electors for another three years. In the interval, Wanganui will be trying the experience of taxing improvements after having exempted them and we can only trust the lesson will show the wisdom and the justice of enforcing land value rating once again.

The valuation of Wanganui has not been revised since 1922. Then the figures were: capital value of