

THE POLITICAL SITUATION IN NEW ZEALAND.

AN INTERESTING SURVEY.

BY ARTHUR WITHY.

We have received the following interesting letter from Mr. Arthur Withy, which will interest our readers as giving a comprehensive survey of the political situation in New Zealand. Mr. Withy, our readers will remember, went out from this country a few years ago, in order to help on the movement for the taxation of land values in New Zealand:—

Since I last wrote the Ward Government has given place to the Mackenzie Government—Sir Joseph Ward did not “hold the fort” till June as anticipated, but retired in favour of his lieutenant, the Hon. T. Mackenzie—and the Mackenzie Ministry, in its turn has given place to the Massey Ministry. The Liberal Party, as the Hon. Geo. Fowlds foretold, has gone to pieces; and if Mr. Massey can only hold office, and will only give the people a sufficient dose of Toryism during the next three years, we may well hope to see a Labour-Land-Tax triumph in 1914.

Mr. Fowlds is still actively carrying on his propaganda work on behalf of the United Labour Party, and I have just returned from a very useful six weeks' campaign in the South Island. The United Labour Party is growing in numbers and in influence; the Labour Page in the NEW ZEALAND TIMES is increasingly making itself felt; Otatau township has just carried rating of land values by 47 votes to 32; Napier South has carried it by 115 votes to 9. Havelock North and Opotiki have also just carried rating polls, but figures are not to hand yet. The writing is on the wall for the whole monopoly-ridden county of Hawkes Bay; and the United Labour Party branches in towns and cities too numerous to mention are now actively circulating petitions for polls for the rating of unimproved values, or, where that system has already been partially adopted, for its extension to all local rates, in accordance with the Rating Amendment Act of last year. Miramar, a suburb of Wellington, has been the first to carry an extension poll, and that by more than two to one.

The Financial Statement brought down by the Hon. James Allen, the new Finance Minister, on August 8th, indicates that the Massey Government is determined to move very cautiously, to begin with at all events, in its dealings with the land question. The oft-repeated proposal to give Crown tenants holding land under lease in perpetuity the option of purchase at “original value”—that is to say, on terms which would make them a present of from four to five million pounds of public money—is relegated to “next session.” The Government plays up to the old “Liberal” superstition that another turn of the graduated land tax screw is the boldest and the best method of breaking up the large estates, though every real student of the land question knows that the graduated land tax is a delusion and a snare. The graduated land tax on estates, between £5,000 and £15,000 unimproved value, will be lessened! The advanced tribute demanded from the estates between £30,000 and £50,000 is very trivial, and the holdings above £65,000, the point at which the tax begins to bite, are very few in number! And while they are making these changes in the land tax, “Advantage will be taken” (we are told) “of this opportunity to give a concession to widows who are in indifferent circumstances, and who are maintaining families, so that in future they may be relieved within certain limits of payment of land tax.” This, I suppose, is intended to give some colour to the old “widow and orphans” outcry against the land tax. But it is very certain that no widow who is really in indifferent circumstances and has to maintain a family, can stand to gain appreciably by a remission of her land tax, while she would stand to gain very materially by the remission of the Customs taxes on necessities, which, in spite of their pledges, and urgent as the matter is, the Ministry cannot find time to take in hand! The widows who would be relieved by the repeal of these taxes on necessities would be as 100 to 1 as against the number who can benefit by the Government's proposals.

“The graduated land tax,” proceeds the Budget Statement, “is not considered by the Government the only means of producing closer settlement, and the Land for

Settlement and Land Settlement Finance Acts will be utilised to aid the great work of settlement. The Government has also had under consideration the advisability of inducing the large landowner to break up his estate, and hopes next year to bring in further legislation to effect this purpose.”

This, I am afraid, points to a further excursion on the old, futile land-purchase lines, which, in the future as in the past, can only result in enriching the land monopolists at the expense of the general public and in seriously handicapping the working farmers by grossly inflating land values. The Hon. Geo. Fowlds' proposal of another penny in the £ on land values, without exemption for this second penny, is worth a hundred such specious nostrums; and, if accompanied by his proposed remission of Customs taxes, it would greatly benefit all poor widows—the landless as well as the landowners, all working farmers, all small landholders, even to the extent of 80 per cent. of the landowners of the Dominion, and all the landless workers, both in town and country.

On one point in their land programme, always provided that they play fair, the Government may be sure of the hearty sympathy and support of every member of the New Zealand Land Values League, and that is in regard to “securing greater accuracy in distinguishing between the value of land and the value of improvements.” “The amendments which will be proposed” (we are told) “will enable the land-value and the value of improvements to be apportioned in an equitable manner so as to ensure an assessment fair to the State and to the individual owner, and will apportion, more fairly than at present, the burden of taxation between owner and tenant.” It is noteworthy that the Government have definitely abandoned the old absurd plea that it is impossible to equitably apportion the land value and the value of improvements. The Government are here distinctly pledged to do what opponents of the Single Tax have repeatedly and emphatically declared, both on the platform and in the Press, to be impossible.

I would also call attention to the following passage, in which the Massey Ministry state categorically that railways and roads greatly increase the value of land, and admit that the increased value so produced rightly belongs to the public; though, as will be seen, the method they suggest for securing this added value for the public is extremely clumsy and also extremely partial and unfair in its operation:—

The Government is impressed with the importance of purchasing land, whether European or native, in those localities where it is intended to construct railways or when they are already in course of construction. In the past railways have in many cases been carried through large areas of unimproved and unoccupied land and the consequence has been to increase greatly the value of such land, even though the owners had done little or nothing in the way of improvements. This has been the experience on the North Island Main Trunk railways, and it will undoubtedly be the experience in other similar cases. It behoves the State, therefore, to secure a sufficient area to enable it to properly participate in any increase of values that may arise from public works expenditure. If this be done it may be possible from the profits of such transactions to return to the Government a very large proportion of the expenditure incurred in opening up the country by railways or even by roads. The sites of the towns of Tekuiti and Taumarunui or any of the other towns in the so-called King Country, might have been purchased before the coming of the railway for only a very small proportion of their present values. Such lessons should not be lost sight of, and they will not be lost sight of by the Government now in power, which, without interfering unnecessarily with the enterprise of individuals, intends to see that the rights of the community are provided for and safeguarded.

But, of course, in order to safeguard the rights of the community, there is no need whatever to buy the land and sell it again. The present yearly value of the land is known. When the railway has been built the then yearly value can be readily ascertained, and it is the simplest and easiest thing possible to tax the difference, the railway increment, year by year into the public coffers; and that for all the land, not for only a part of the land affected. Where is the justice in the Government's proposal to buy

A's land and reap the railway-increased value on that land, while leaving B in possession of his land and allowing him to pocket the railway increment on it? And why should the principle be recognised in the case of railways and roads only, and of some land only? Why should it not be applied to the case of all land and of all public improvements and public services, local as well as national, and past and present as well as future?

All public improvements and public services, of course, increase land values. All increased values so produced rightly belong to the public, and should be taken for public purposes. If these public earnings, for such they are, were taken for public purposes, all taxes on trade and industry, all taxes on labour and on labour products, could be abolished. But that, Mr. Massey would say, "is robbery or insanity, or both."

Our national debt is upwards of 80 millions sterling. If, however, from the beginning the increased value given to the land by public expenditure on railways and roads, and on public works and public services generally, had been taken for public purposes, instead of having been stupidly allowed to go into private pockets, we need not now be in debt a red cent, and we need never have levied any rates or taxes on trade and industry. Even the Massey Government admit that these community-created values rightly belong to the public; and, if they are men of principles, it is up to them to at once take steps to gradually—but not too gradually—abolish the robber rates and taxes now levied on private earnings, and to take instead public earnings for public purposes. Their failure to do so will be in the interests, not of the people but of privilege, not of the farmers but of the land monopolists and the land speculators who are the worst enemies of the farmers. Mr. Massey has repeatedly denied that his party is a Landlord Party and his Government a Landlord Government. It is up to him to make that denial good. I am not, I hope, uncharitable, but I must say that I shall be very much surprised—very agreeably surprised—if he does make it good.

Please convey the congratulations of all New Zealand friends to Mr. Hemmerde and Mr. Outhwaite on their victories at N.W. Norfolk and Hanley. It was a good win also at Holmfirth. We are greatly cheered out here to see the grand work you are doing and the great strides the cause seems to be making at home.

THE FORCE OF THE LAND QUESTION IN NEW ZEALAND.

THE NEW GOVERNMENT'S POLICY.

A correspondent writing to the GLASGOW HERALD (September 19th) from Auckland, New Zealand, expresses the opinion that the Massey (Conservative) Government will be able to hold office for the three years' term of the present Parliament. He outlines the main features of the Massey policy, and referring to the land question says:—

Two features of the new Government's land policy have met with great approval by Radicals outside the party. The first is that more money is to be raised by land tax. At present an extra 25 per cent. of tax is levied on estates of an unimproved value of £40,000 and over. This limit is being reduced to £30,000, so that more landowners will be compelled either to cut up their estates or pay the extra 25 per cent. in taxes. Along with this there is to be a reduction of the tax on smaller estates. The other feature of interest to Radicals is a determination to purchase all unimproved land in localities where it is intended to construct railways. In this way the Government proposes to secure for the State the improved value put on the land by the construction of a State railway. In the past railways built by the State have been carried through large areas of unimproved and unoccupied lands, and the landowners, including many Maori landowners, have reaped enormous increments.

The great question dividing the two parties in Parliament is the tenure on which the State disposes of its land to the farmer. The party which now forms the new Government has always stood for the freehold; Sir Joseph Ward's party curtailed the freehold opportunities and disposed of much of the land on leasehold tenure only. An old form of lease was for 999 years, but this was recently abolished, and a 66 years' lease substituted. The new Government proposes to give all holders of the 999 years' lease the right

to purchase the freehold as if they had had such right when they took up the lease, and to give a similar right to the 66 years' leaseholders at a valuation to be decided by actuarial methods. Altogether the new Government is looking closely after the interests of the farmer. It seems likely that in the near future there will be more land available for settlement in New Zealand and a more hospitable welcome for the immigrant farmer.

This and much besides the new Government has undertaken. Its land tenure proposals will no doubt be stoutly fought, but many of its other schemes are so much on the lines of measures urged by the other side that there must be general agreement on principles if not on details. Though at present its majority is small, the new Government should hold office till the end of the Parliament unless it blunders, and with shrewd administration it may have a long lease of life.

THE LAND PROBLEM IN RHODESIA.

Here is a notable article from THE RHODESIA JOURNAL, published at Bulawayo, says PUBLIC OPINION of August 2nd, which shows how the land problem is not confined to England, but is at the heart of industrial problems all the world over. The article also shows how soon the old problems repeat themselves in new lands.

"Shall we belong to the party of reaction and perpetuate the old fettering laws, or shall we have a vision of a new and model State where the land belongs to the people, where unearned increment shall benefit not drones, not absentee landlords, but the people of the country, who by hard work alone make that land valuable?" asks THE RHODESIA JOURNAL.

"If we adopted such a scheme the reasonable quit rents charged to leaseholders would defray the whole cost of the administration of the country, would enable us to abolish all customs dues and bring railway rates to a purely nominal figure. Then, unhampered by oppressive taxation, the cost of living would fall and every year grow less with the growth of population, and Rhodesia would go forward as the most prosperous State in the world, the leader of the New Aspiration and of the New Age.

"It would even pay the Chartered Company to adopt the scheme, for the enormous traffic on the railways would return them their capital and make the fortunes of the shareholders in a few years."

THE RHODESIA JOURNAL is led to discuss this problem by what it calls "the cool assumption of ONS LAND and the SOUTH AFRICAN NEWS, that Rhodesia is regarded as an annexe of the Union, must some day form part of it, and, presumably, will form a dumping ground for the landless younger sons of farmers and bywoners of the South. And also by the lecture of Mr. Wise, the Director of Rhodesian land settlement who is lecturing in England on the advantages of Rhodesia to the man of money, his argument being, briefly put, that now is the time to buy 6,000-acre farms at a low price, for in a few years' time, when the tide of immigration sets in, the fortunate owners will be able to cut up their farms and sell same to new arrivals at greatly enhanced prices.

"Now these two arguments may sound all very well for the Union on the one hand and the Rhodesian landowners on the other, but where do the ordinary people come in—that is to say, if they come in at all?" asks THE RHODESIA JOURNAL.

"We are sorry to confess that if Mr. Wise expresses the highest ultimate ideal of the Government, then our plight is parlous indeed. We have been told that 'Where there is no vision the people perish.' What is our vision, our ideal, our ultimate hope? Have we any dreams at all concerning the future of this great country? If Mr. Wise represents the highest, then we are to go on perpetuating the same old pernicious system of land tenure that has led to so much trouble in the older countries and even now is responsible for the great unrest that is the theme of nearly every newspaper article in Great Britain, and is leading to endless strikes and social upheaval.

"Rhodesia is the youngest of all the British Colonies. Has it to grow up and work out its salvation cursed by the shackles that fetter its forbears and some of its elder brothers? We educate our own children, hoping, even at some sacrifice, that they will escape our own disabilities, and start life where we left off. Is Rhodesia likely to benefit by all the past experience or is she in the future to

groan under crippling land laws, which our children and children's children will curse when they come to maturity and find all the land locked up? We would that we could see a vision before the people of this country, an ideal to strive for, something that would stamp Rhodesia with an individuality and make it in very truth the Promised Land, the Canaan of the British race in the next generation.

"Let us look at the case of Australia. There (even as in England) the ever-increasing pressure of population forces the Government to expropriate large estates, at high prices, and cut them up for the benefit of the people who, of course, have to pay these high prices. From our close study of the problem we incline to the opinion that as the years roll on this expropriation must inevitably increase and to such an extent that private ownership of land for all time will become a thing of the past.

"We are satisfied that the people's views on the question of land ownership will steadily undergo a change, and that as 'all minerals belong to the State and are only worked under royalty' so the land will come to be placed in the same category. It will be the property of the State, granted to applicants on a lease and then only so long as it is beneficially worked. In this way vast areas of land will not be allowed to be locked up, waiting for a land 'boom' and consequent rise in prices, nor will the present nor succeeding generations be forced to pay fancy prices for land for the benefit of individual owners.

"We put it to the people of Rhodesia who, perhaps, do not closely follow the tremendous change that is taking place in such countries as England and Germany, that a new spirit is arising. Old ideals, old faiths, old superstitions, old fetishes, old laws, old parties are going by the board. The line of cleavage is straight and unerring through Liberal and Conservative, through Jew and Gentile, through Christian and Agnostic and ideals are shaping themselves on the side of the New Spirit as against the Old Spirit—progress against stagnation.

"This is not a mere workman's movement; some of the best of our politicians on both sides, and some of our leading divines are in the van.

"And they, too, have a vision—the vision of a happy and contented people, each man a worker, each man getting a fair return for his labour, with the accumulated privileges of centuries swept into the melting pot, and with a more equal distribution of wealth, of leisure, and of opportunity for every man and woman than in the past. If they cannot make a new Heaven and a new Earth, they mean to make the old Earth a better and a happier place to live upon, and one of their visions is to give the State a fuller and firmer grip upon the great and only source of all wealth—the land. It will be a hard task in the old countries, but not such a difficult one here.

"On which side are we in Rhodesia going to be, for this movement will reach us here?"

WESTERN CANADIAN MUNICIPAL OFFICERS TELL OF SUCCESS OF LAND VALUES RATING.

The MANITOBA FREE PRESS (Winnipeg) of August 28th, reports the twelfth Annual Convention of the Union of Canadian Municipalities, held at Windsor, Ontario, on August 26th. At the evening session papers on municipal taxation were read by Alderman Jos. Clark, of Edmonton, Alberta, and Alderman W. Hepburn, of Vancouver. In both cities the system of exemption of improvements from taxation has been adopted. The papers and the discussion which followed indicated that the system of assessing land values is favoured by representatives of western cities while those of the older cities in eastern Canada in many cases are opposed to it.

"The triumph of our land tax in Edmonton is shown by the fact that in 1906 we had building permits to the value of \$1,563,000, while in 1912, the first year all taxes other than land taxes were taken off, they were \$15,500,000," said Alderman Clark. "If the previous ratio had been continued it would have required 80,000 population to justify this expenditure, while our population is approximately 53,000."

"The land tax in Vancouver is the principal cause of the growth of the city in recent years," said Alderman Hepburn. "The difficulty of making owners of buildings keep them in sanitary conditions has been greatly lessened,

and the tax on land has also had the effect of causing owners of vacant property to improve it."

"No one will attempt to dispute that the land tax in Victoria has been most beneficial," said Mayor J. L. Beckwith, of the western city. The system of taxing buildings is simply a system of finding a man for improving his property.

"Cities of Saskatchewan are moving toward the land tax," said Deputy Minister J. N. Bayne.

"Under the new law the limit of assessment is fixed at 60 per cent. and cities have the right to reduce this 15 per cent. a year. Within two or three years it is believed that the cities will entirely remove the tax on improvements."

UNREST IN RUSSIA.

The following paragraph is taken from DARKEST RUSSIA, a weekly journal published in London, for September 18th:—

According to the GOLOS MOSKVV, "alarming rumours" are current among the peasants in connection with the centenary of the invasion of Russia by Napoleon's army. "At the fairs, at the public markets, and in the taverns," says the Octobrist organ, "the peasants are talking of the additional allotments they are going to receive this year at the expense of the landed gentry. They expect to obtain full ownership of all the land of the *pomechtchiks* (squires), to whom the Government will only leave their houses and their parks. There is also a strong agitation in the villages for setting fire to these houses and parks in order to precipitate the departure of the landowners."

The RUSSKOE BOGATSTVO, commenting on the report, says that this attitude of the peasants is so determined that "it will be impossible to eradicate it for some considerable time."

SPAIN.

HISPANO-AMERICAN GEORGITE CONFERENCE TO BE HELD IN MADRID NEXT MAY.

The Spanish Single-Tax League have decided to convene a Conference to promote the Single Tax, to be held in Ronda, Spain, on 26th, 27th, and 28th May, 1913. In a circular announcing the Conference, the Secretary of the League, Antonio Albendin, states that it has been arranged on the suggestion of American Single-Taxers, "in view of the pressing need for sound knowledge and united action on this important question."

From August to December of this year there will be sent out in profusion programmes, rules, announcements, tickets of admission, &c.

Applications should be sent to the General Secretary on or before 15th March, 1913.

The Organising Commission, composed of fifteen members of the Spanish Single-Tax League, is charged with this propaganda, and consideration of specially lowered rates of transport.

The Local Committee in Ronda is charged with arranging rates of accommodation and lodging, all local details for the sessions, and reception of members of the Congress, &c. The General Secretary, from whom all details should be asked, is Don Antonio Albendin, 21, Calle Méndez Núñez, Ronda, Malaga, Spain.

NOTE.—A Special Commission is charged with the question of lodgings. The Congress Members should direct inquiries to the General Secretary, and in order that they may make any use of his services they are advised, when making applications for admission tickets, &c., to give the following details:—

Days of projected stay. Daily amount which it is desired to pay for accommodation.

The General Secretary of this Conference has pleasure in intimating that Mr. Joseph Fels, of London and Philadelphia, has consented to assist and move the first resolution.

All single-taxers are invited to be present, and in order to enable the Local Committee to make final arrangements applications for admission not later than 15th March, 1913, is required.

Admission tickets will be forwarded on receipt of the enclosed form filled with names and addresses.