

A FORWARD MOVE IN NEW ZEALAND

THE WELLINGTON SOCIETY for the Taxation of Land Values (G.P.O. Box 951), which has been formed with Dr. Rolland O'Regan as Chairman, Mr. R. G. Varlow as Secretary, and Messrs. R. A. Gosse, A. Parlane and others on the Committee, took a prominent part in the recent General Election in New Zealand, at which the Labour Party was returned, although with a reduced majority. The League conducted its campaign by means of a series of advertisements in the daily Press, setting forth its arguments and answering the contentions of opponents in a strikingly convincing manner.

The chief question put to the electors was the proposal of the Opposition to abolish the Hospital Rate with a view to financing Social Security entirely by taxes on wages, salaries and incomes—a matter most relevant to the discussions taking place in Great Britain on Social Security and Allied Services and all that is embodied in what is known as the "Beveridge Plan." In New Zealand hospital finance is mostly obtained from local rates, and in many boroughs and counties the rating of Land Values ("unimproved value rating") is in operation. The abolition of the Hospital Rate would also entail the abolition of Hospital Boards and help to undermine local self-government.

The Manifesto of the League, which we here reprint, makes it clear that the policy of shifting the cost of hospital services upon wages and salaries is a landlord policy, making a gift of the rent or value of land to private interests and at the same time reducing wages.

GENERAL ELECTION

MANIFESTO

"Fellow-Electors,—Having accepted the assurance that no controversial legislation was to be proposed during the war, we, who stand for the propagation of Henry George's proposal that the community value of land shall be appropriated for public purposes, have remained quiescent since hostilities began. Since the Leader of the Opposition in the course of a policy speech on the evening of Tuesday, 31st August, has made it clear that should he become Prime Minister the Hospital Rate is to be abolished entirely and replaced by further taxation on wages, salaries and incomes, it has become necessary to point out to you what this proposal means. For years past there has been a sustained demand by the land monopolists and their henchmen for the abolition of the rate, the proposal being that the Social Security Act should be financed entirely by the taxation of wages, salaries and incomes. Doubtless you will have noticed that at last the propagandists—that is to say, the N.Z. Farmers' Union (otherwise the Squatter's Police), the Sheepowners' Federation, the N.Z. Municipal Conference, and the N.Z. Counties' Conference, aided by obscur-

antist cliques like the Wellington City Council—have had their reward in that their demand has been incorporated in the Policy of the Opposition.

"The latest edition of the Year Book shows, using round figures, that a million pounds is collected annually from local bodies by way of hospital levy; also that the capital value of landed property in New Zealand is £585,000,000, of which the unimproved value is £270,000,000. It is proposed to relieve this vast fund, nearly half of which is community-created value, of all responsibility for the support of hospitals, and that in the interests of home owners! Could there be a more glaring example of audacity, mendacity and rapacity? Mr. Holland attempted to gild his pill by proposing a graduated scale of taxation with a view to relieving people of smaller means and those who have families. The utter futility of this proposal will be apparent when you remember, first, that wages, salaries and incomes are different names for the same thing. Salaries is but a genteel name for wages, but clerical and other workers who wear collars during working hours often receive less remuneration than manual labourers, and we have it on the authority of the Commissioner of Taxes that 75 per cent. of the income tax is obtained from people earning less than £500 annually! From this it must follow that a large proportion of manual workers pay income tax, and that, since only 25 per cent. of income tax payers have incomes above £500, it is the flat rate of taxation, paid by the great majority, that brings in the bulk of the revenue. Mr. Holland's talk about graduation, accordingly, is merely 'a sprat to catch a mackerel.'

"While we agree with the principle of the Social Security Act, we hold that all taxation of earnings, whether they be wages, salaries or income, is fundamentally wrong. We hold that the Act should be financed entirely out of the community value of land, and we are gratified to record that resolutions in support of our view have been passed unanimously by the annual conferences of such representative bodies as the New Zealand Workers' Union and the New Zealand General Labourers' Union.

"Further, we hold that taxation should fall on property, not on persons, and hence that taxes on wages are peculiarly odious and indefensible, taxes on salaries not less so, and taxes on incomes we place in the same category for the reason that income tax is paid mainly by persons of small means. We notice that Messrs. Hislop, Appleton and other exponents of the Nationalist 'policy' are careful to repeat the sophistries of their Leader regarding the graduation. By the taxation of wages, salaries and incomes on a graduated scale they want you to draw the inference that the bulk of taxation would thus fall on higher incomes. In this connection we ask you once again to bear in mind that

75 per cent. of income-tax is paid by persons earning less than £500 per annum and hence that it must necessarily include many waterside workers, slaughtermen and miners. Thus no matter how the tax may be graduated the bulk of the taxation must be drawn from the smaller incomes.

"The propagandists for the abolition of the rate are careful to publish no practical illustrations showing how the scheme would work in practice, and accordingly we supply you with a few illustrations. For example, there are in Wellington 47 licensed hotels, of which the unimproved value is £13,000. The hospital rate this year in the Wellington district is 1 691/800d. in the £, or say, 1 7/8d., and thus a simple calculation will show that the abolition of the rate would mean an average annual gain of £101 for each hotel! The richest estate in Wellington City, the Hannah Estate, has a capital value of £303,000, the unimproved value being £148,000, and the abolition of the rate would mean an annual dividend to this opulent monopoly of £1,150! Then there is the T. G. McCarthy and the McCarthy-Reed Estates, the total unimproved value of which is £108,300. Here the abolition of the hospital rate would mean a gain of £846 per annum! Were space available we could give other illustrations, but you may take it for granted that every insurance company, every shipping company, every brewery, every valuable property in town or country, would receive a substantial gain at the expense of taxes on wages, salaries and incomes. The vast majority of the ratepayers, of course, those whose unimproved value ranges from £500 downwards, though they would certainly receive some relief in rates, would lose heavily by the increase in wages tax, salaries tax and income tax. With a disregard for truth, however, to describe which the vocabulary of Parliamentary language is too limited, the propagandists dare to tell the public that they are fighting the cause of home-owners!

"There remains that fact, of course, that the ratepayers are a small minority of the population and that tenants and 'roomers' are the majority of the population, at any rate in cities. Can you imagine anything more wicked than the proposal that the richest people in the community should be relieved of taxation at the expense of people who have to pay rent?

"There assembled at Wellington on 29th July last the Counties Conference, of which the Chairman, Mr. Morrison, speaking in support of a resolution for the 'relief' of ratepayers from the hospital rate, stated *inter alia* that they did not desire to evade their responsibilities, but that the unimproved value of land was too uncertain a factor on which to rely for the support of hospitals. Each of these statements is a gross perversion of fact. First, we would point out that the county franchise is based on a rating qualification and that any ratepayer whose property

is £2,000 or over is entitled to three votes. He may have this qualification in different ridings, and there may be twelve ridings in a county! Mr. Morrison and his friends coolly demand that they should be relieved of rates, but still retain their voting qualifications! 'We do not desire to evade our responsibilities,' says Mr. Morrison, but they demand to be relieved of a million pounds annually in rates all the same while retaining the plural franchise!

"As for Mr. Morrison's assertion that the unimproved value of land is an uncertain quantity, we would point out that it is a very certain quantity when it comes to the resumption of land for public purposes. When the Crown acquired the Flaxbourne Estate in Marlborough the 'compensation' was £60,000 in excess of the land-tax valuation. The Hatuma Estate in Hawke's Bay was acquired for £23,000 above the land-tax valuation, and Forest Gate for £13,000. More recently we have seen the Crown mulct for £11,000 for a mud bank in the Hutt River Estuary, of which the official valuation was less than half that sum. And more recently still we know that Councillor Appleton received £37,000 for a piece of land in Wellington City which a dog would cover in half a dozen leaps! So much for Mr. Morrison's accuracy.

"Fellow-Electors, we ask you to bear the foregoing facts in mind when you cast your votes and to see that you do not allow the land monopolists, who are the scourge of this country, 'to get away' with a clear million annually at the expense of further taxes on wages, salaries and incomes."

The echo of the League's campaign was heard in the final election speech of the Prime Minister, Mr. Fraser, which was broadcast throughout New Zealand and in which Mr. Fraser said: "An agitation had been raised by Labour's opponents to free the rich landowners from their legitimate rate obligations in respect to hospitals. He wished to tell the mass of the people that if the hospital rate was taken off the rich properties the burden would have to fall on the wage earners and the poorest section of the community, who would have to contribute an equivalent amount either from social security payments or through extra taxation."

Mr. Varlow in his covering letter expressed the hope that the Wellington League would grow out to the "New Zealand" League. Meanwhile they were in the process of forming rules, etc., to become incorporated in law; and so that it be provided with explanatory literature a considerable order for books and pamphlets has been placed with the Henry George Foundation of Great Britain.

The Objects of the League are thus stated: (1) To advocate the raising of public revenue by taxes upon the value of land apart from buildings and improvements in order to secure the economic rent of land for the community; (2) to advocate that all local-body rating shall be upon the unim-

proved value of the land; (3) to oppose the transferring of profits from municipal trading concerns to the general fund for the purpose of reducing rates on land; (4) to advocate the reduction of indirect taxation and to oppose the imposition of taxes which act in restraint of trade or tend to retard

industry or to increase the cost of living; (5) to stimulate public opinion in support of the above objects by means of the distribution of literature, public lectures, debates, letters to the Press, deputations to Parliament and such other lawful and constitutional means as may be decided.

ADVERTISEMENT

LIBERAL LIBERTY LEAGUE

Free Trade Free Land Free Men

THE FOLLOWING notice has been issued by a group of Liberals who are concerned to strengthen and clarify the Party's position on fundamental economic policy. Members of the Liberal Party who are willing to assist in this effort are invited to communicate with Mr. Ashley Mitchell, 250 Almondbury Bank, Huddersfield:—

"For fifty years the Liberal Party has advocated the breaking of land monopoly by the Taxation of Land Values. But at the Annual Assembly of the Party in July, 1943, that policy was forsaken and by inference renounced. A resolution which was rushed with little opportunity for discussion accepted the Uthwatt scheme of land purchase that would endow privilege at the public expense. Thus famous Liberals of the past who have declared that the unimproved value of land belonged to the people are disowned.

"The Assembly also abrogated the old Free Trade gospel of Liberalism by passing a resolution which in effect declared that the reduction of British tariffs was a matter of reciprocity dependent on international agreements. That was handing the key of the Citadel to the Protectionists. Following this surrender the Party leaders easily and logically led the Assembly to decisions favouring the extension of State subsidies, State patronages, and State controls over commerce and industry.

"These steps must be retraced. They have disturbed and dismayed many Liberals almost to the point of shedding their political allegiance. A new, forward and vigorous campaign is called for. The undersigned have therefore decided to form a League, within the Party, for the purpose of offering to such Liberals a centre from which they can act together to uphold and promote the principles they hold dear. Thus we may secure a sound policy for the Liberal Party before the next election.

"The only justification for the existence of a political party is that it stands for some fundamental concept of the body politic; that it is based on faith in the truth of some natural laws that will lead to the progress of humanity. The Liberal Party grew on such faith, in the teachings of Adam Smith, J. S. Mill, Cobden, Gladstone, Campbell-Bannerman and others, that the way of evolution was by freeing the individual from interference by the State, except only in so far as that was necessary to free him from injustice by his fellows.

"When our nation is fighting in defence of basic human liberty it is vital that those who have the vision, understanding and faith in liberty itself, should voice in concert their opposition to the present reversion to the conditions of bureaucracy and self-seeking policies which preceded the abolition of the Corn Laws. The Liberal Party above all others should be regarded as the natural guardian and champion of equal freedom, equal opportunity and the rights of man.

"A meeting to put the League on a firm basis will be held at St. Ermin's, Caxton Street, Westminster, on Saturday, the 15th January, 1944, at 2-30 p.m."

Tickets of admission, to those wishing to join the League, will be sent on application to Mr. Ashley Mitchell, 250 Almondbury Bank, Huddersfield."

Signatories to the Letter are: John Archer, Huddersfield; C. H. Batty, Hendon; W. E. Bland, Wood Green; L. G. Bowman, Hendon; Vivian Carter, East Grinstead; C. E. Clark, Bewdley; Elfyn David, Cardiff; Sir Alfred T. Davies, Brighton; Frank Dupuis, Sudbury; Charles Ayliffe Gardner, Cardiff; Wilfrid Harrison, Hendon; A. D. Haxton, East Fife; J. T. Haxton, East Fife; G. G. Honeyman, East Surrey; E. Ingledew, Hendon; R. W. Jenkins, Sheffield; Mrs. C. Laycock, Huddersfield; W. R. Lester, East Grinstead; B. A. Levinson, Strand, London; County Councillor A. R. McDougal, Berwick and Haddington; S. Martin, Chislehurst; Ashley Mitchell, Huddersfield; D. E. Moore, Sheffield; H. Donald Moore, Withington; Councillor S. Needoff, Manchester; Councillor J. Oldroyd, Huddersfield; Pryce V. Olver, Pudsey and Otley; A. H. Peake, Cambridge; Vivian Philipps, ex M.P., Tonbridge; Mrs. C. W. Potts, Huddersfield; T. Atholl Robertson, ex M.P., Kinross and West Perth; P. Roche, Holborn; E. T. Sykes, Huddersfield; County Councillor Dr. A. Gordon Wilson, Penistone; G. H. Winder, East Grinstead; W. C. Woodroffe, West Walthamstow.

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