

rate of interest affecting the rate of capitalisation; and every increment of tax will produce a corresponding increment of revenue.

#### COLLECTION OF THE TAX

Where the land (and the buildings upon it) are owned and occupied by one person, it is evident that that person enjoys or has the power to enjoy the whole of the economic rent, and he should be responsible for payment of the land-value tax. Where the buildings are let to one or more persons for short tenancies, for example, weekly, monthly, or quarterly, it may be assumed that the tenants are paying rack rents, and that the landlord is receiving the full economic rent. In this case the landlord should be required to pay the land-value tax.

There are other cases in which the whole of the economic rent is not enjoyed by one person. Particularly where land values are high, it is common to find land let upon long leases. In that event the rent payable under the lease may differ from the economic rent of the land. If the rent payable is equal to or greater than the economic rent, the whole of the land-value tax should be payable by the lessor. If the rent payable is less than the economic rent, then there is a balance left in the hands of the lessee. The lessor should therefore pay the tax on so much of the economic rent as he receives and the



lessee should pay the balance. It is inconvenient, however, that the taxing authority should look to more than one person for payment, and a practical means of arriving at the same result is to provide that the lessee should pay the whole of the land-value tax and should be empowered to deduct the whole tax from the rent he pays if that rent is equal to or exceeds the economic rent, or deduct a proportionate part of the tax if the rent he pays is less than the economic rent.

In any case, the collection of the land-value tax should be fortified by making the tax a first charge upon the whole property, and if default is made in payment the like powers of enforcing this charge should be granted to the taxing authority as the law gives to mortgagees for enforcing payment of money secured by mortgage.

#### RATING UNIMPROVED VALUE

## Auckland Must Be Won



WE FIRST HEARD about the struggle to secure unimproved capital value (site-value) rating in Auckland, New Zealand, from E. P. Middleton, in his "New Zealand News Letter," (LAND & LIBERTY, February). The position then was that the first campaign for a poll on the subject narrowly failed because of insufficient time in which to collect the required number of signatures. The organisers, however, were sure of success the following year.

The latest news comes from Mr. McGuigan of Wellington. The required number of signatures for a poll has now been obtained, and the poll is to take place December 7.

The Auckland City Council is generally unsympathetic to the proposed change, and has been attacked by the Glen Innes Residents and Ratepayers Association (the original motivators of the poll), for its intention to issue, at ratepayers' expense, a brochure giving the Council's views on the alternative rating systems.

The Auckland city valuer has advised the Council that the introduction of rating on unimproved values would present very real problems and serious anomalies. The Glen Innes Ratepayers Association has commented that "since his (the city valuer's) valuation department will be redundant if the rating basis is altered to the unimproved value, it is impossible to consider him as an impartial and unbiased adviser."

The *New Zealand Herald* is also unsympathetic to a change. Reflecting a growing opinion in both Australia and New Zealand, it stated in a leading article, November 6, that "Most ratepayers would prefer to see a concentration of effort on a search for supplementary or alternative sources of municipal revenue."

Auckland is the only large town in New Zealand that does not rate on unimproved capital values. In view of the growing controversy over this form of rating, a clear victory in Auckland for the change to site-value rating would be a tremendous boost for advocates of the system. For this reason, as Mr. McGuigan says, the Auckland poll *must* be won.

**THE THEORY OF HUMAN PROGRESSION.** By Patrick Edward Dove. Abridged by Julia A. Kellogg, who in a foreword writes: "The book is the single-tax theory elucidated a generation in advance of Henry George. What Dove did for scholars, George did for the masses." 2s. 6d.