

urban areas and that nearly half the counties have adopted it. Only in a small minority of places is the old "annual value" assessment still in force. It has been progressively abandoned.

	Rates assessed upon		
	Unimproved Value	Capital Value	Annual Value
124 counties	61	63	—
13 cities	10	—	3
131 boroughs	88	14	19
29 towns	14	12	3

There is only this modification as far as the "unimproved value" places are concerned, that in some of them certain special rates are based not on unimproved value but either on the composite capital value or the composite annual value of land and improvements taken together; namely, seven of the 61 counties, two of the 10 cities, 15 of the 88 boroughs and one of the 15 towns. Incidentally the figures now given should be substituted for those given in the Paper No. 15 of the Swanwick International Conference—see page 6 of "The Operation of Land Value Rating in Various Countries," which understated the number of places that have *all* rates on land values.

Defects of the N.Z. Land Tax

The League for the Taxation of Land Values has presented a Memorandum to the Government Committee which is enquiring into Dominion taxation (that is, it does not embrace the local rating system) and the League makes important recommendations with regard to the Land Tax. It should be explained that this Land Tax, although it is a levy on land values, is imposed in such fashion and allows such exemptions and exceptions, that it violates the principles of land value taxation. The tax is charged upon landowners according to the total amount of land value they may possess in any part in New Zealand and if that does not exceed £1,000, the landowner is exempt. Between £1,000 and £2,500 the tax is graded so that the full charge is payable only when the amount of land value possessed by the individual taxpayer exceeds £2,500. The resulting anomalies will be obvious. For example, there may be two pieces of land side by side and having an equal land value. If they are possessed by different landowners the land value tax payable on them will depend entirely upon how much land-value the respective owners possess elsewhere in N.Z. One piece of land may be wholly exempt and the other be charged with the full rate of tax. This is surely anything but the taxation of land values. Moreover, there is a further serious defect in the Land Tax that it allows exemption for mortgages so that any land mortgaged up to £7,000 is exempt from the tax. The League takes up these points in an admirable way, pleading against any abolition of the tax, which (with the revenue of £1,000,000 it now produces) would be merely to make a capital gift of some £25,000,000 to the relieved landowners. The Land Tax must stay, but it must be wholly reformed to become a straightforward levy on all land at a uniform rate per pound of land value. The rest of the League's representations are taken up with the necessary reforms in the methods of Valuation which have allowed the values to be "pegged" in many cases far below the true value of the land so that considerable revenues have been sacrificed; and the Valuation Department, which is at present starved of staff, should be adequately equipped. Appropriately the submissions include a description of the methods adopted in Denmark as something that should be emulated.

In Victoria—Justice Party Formed

At the Australian General Election in April, the newly-formed Henry George Justice Party in Victoria put forward three candidates for the Senate—Messrs. L. F. Bawden, L. J. Hutchinson and W. V. Tindall.

We have received the May issue of *Progress* (Melbourne), journal of the Henry George League of Victoria, with its report and comment upon the campaign. We quote these extracts:—

"The Party were not successful in securing election of any of their members, but that could hardly have been expected from a newly-formed party at a snap election in competition with the main parties with their long-standing organisation and much greater funds.

"The final figures are not available on going to press, but the Justice Group has received something over 5,000 votes, at an election in which the main parties were telling voters they must not under any circumstances vote outside their tickets as each wanted to end the Senate deadlock in their favour.

"This performance is perhaps seen in better perspective when it is realised that the main medium by which our message was put was in the distribution of manifestos. There were 35,000 of these distributed. This number is small in comparison with the total voters in the State. If each manifesto was read only about 5 per cent. of the total electorate was contacted. With this in mind the 5,000 votes odd obtained become much more significant as indicative of the measure of support which a sustained effort between elections can yield.

"Subsidiary items in the campaign were the four radio broadcasts given by the candidates. Advertising in the daily press was restricted to two issues in each of the four main papers owing to the limited finances in sight.

"The most important thing about the campaign was the fact that the manifestos and broadcasts put before many people for the first time our main policy for social reform. People who had never heard of our remedy for social ills have been induced to make inquiry and see that there is a fundamental reform which will prevent the development of depressions and unemployment.

"It is vital that this message be put to the people now for the main parties have no remedy at their disposal. Unless people are told where existing policies are leading them to disaster and how to avert the blow their very ignorance of cause and effect will make them a prey to extremist sections.

"It is certain that the educational work done in this campaign has influenced a much greater circle than those who have actually set aside their normal party allegiances to vote for our candidates."

The manifesto of the Party, printed in full in the April issue of *Progress*, declared the objective to be the abolition of all taxation on labour and on things bought, all necessary public revenue to be raised by taxation of land values. The immediate policy provides for substantial reduction in the level of government spending; complete abolition of sales tax and pay-roll tax; all-round reduction of tariffs with abolition of tariff taxes on housing materials and those goods which are in short supply; the establishment of development funds raised by taxes on land values created and maintained by the service of railways, tramways, water supply and sewerage, thus reducing the charges in freights, fares and rates for these services. The manifesto went on to press for the abolition of