

Closing The Gap In New Zealand

(A Report based on information received from Mr. E. J. Bror C. Muller, of Auckland, New Zealand.)

THE trend towards full adoption of collecting local government revenue by rating on land values alone continues in New Zealand at an accelerated pace. 80 per cent. of local authorities throughout the country now rate on the "unimproved value" of land, exempting all buildings. This figure is made up of 13 out of 15 cities, 79 out of 125 counties and 118 out of 146 boroughs.

Why Auckland, the Dominion's largest city, should be almost the last municipal area to adopt this system, in the face of the long experience of cities like Wellington, the capital, which has had land value rating since 1911, and the well-demonstrated advantages seen in rapid and wide-spread housing and commercial development, is hard to understand. Possibly the answer is "climatic." Citizens of southern cities are ever ready to compensate for Auckland's undoubtedly more salubrious climate with snide references to their "softness" and "lack of drive." Whatever the facts, the movement to put the Queen City, as Aucklanders call their town, on the land value system is receiving a strong impetus at the moment, and it seems safe to predict that it will not be long before the 20 per cent. gap in the national pattern will be closed.

Latest moves in the campaign to make the change-over in Auckland are under the direction of the Auckland Unimproved Rating Association Inc., which is currently engaged in circulating a petition to carry 7,000 signatures — more than sufficient to complete the statutory requirement of 15 per cent. of the rate-payers in order that a poll on the issue may be demanded under the Rating Act. Valuable coverage of the campaign has been accorded by Auckland's leading daily newspapers, as the following example from news reports and articles shows:

"The object of the Association is to work for the introduction of the unimproved value system of rating in Auckland City. Signatures of 7,000 ratepayers will be sought on a

petition for a poll on the issue at the municipal elections in October. Mr. G. N. Caldwell (Glen Innes Ratepayers' Association), who was elected president, said 80 per cent. of local bodies in New Zealand rated on the unimproved system. Adoption would solve the major problems of Auckland — inner city decadence, urban sprawl and disunity." (*New Zealand Herald*.)

It is to be hoped that the efforts of the Auckland Unimproved Rating Association will be crowned with success and that the last important link in the chain of national coverage will be forged by Auckland deciding on the change for there can be little doubt that Auckland's decision will greatly influence the few remaining areas still rating on the old methods.

Letters To The Editor

ROAD LICENCES AND EQUAL RIGHTS

SIR, — I cannot agree with all the criticisms made by Mr. A. Batty in his letter, *LAND & LIBERTY* October, concerning Mr. E. P. Middleton's article "The Evils of Licensed Road Haulage."

Although Mr. Batty does not deny that a monetary value may be attached to a carrier's "A" licence, he claims that the whole matter is reduced to proportion by the comparison between the yearly cost of providing a licence and the cost of putting a lorry and driver on the road. The simple fact is that the carrier will recover all his costs of putting a lorry on the road *plus a profit*. His £1,000 (or £70 a year) for a licence is a dead loss — no recovery and no profit. In any case, whatever the price of a licence (necessarily a monopoly price) the system cannot be defended. Assuming that for certain reasons licensing is necessary, a public auction would be the fairest method of deciding to whom licences go.

Mr. Batty also states that the introduction of additional small firms by the abolition of licensing would certainly not improve the present situation. I do not know what evidence he has for this, but there may well be a potential demand for more small transport firms in the same way as there is a demand for small businesses in many other industries, and we cannot tell until we have real freedom to try. Whatever the chaotic state of the roads, justice demands that there should be equal opportunity.

Yours faithfully,
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ARE LAND VALUES ENOUGH?

SIR,—In his interesting article in the April issue of *Land & Liberty* Mr. A. J. Carter raises the question whether a tax on land values would be sufficient to cover public expenditure. He affirms it, provided military and overstrained so-called social requirements could be avoided.

However, even as it is, the people of Britain keep paying their huge load of taxes, rates and charges of all descriptions, which, according to Mr. Carter amount to some 6,000 million pounds a year, without leaving their islands, decreasing in numbers or otherwise giving up, as the old Romans did when they were overtaxed in their time. So apparently Britons prize their land, upon the whole, as being worth the sacrifice.

Even more! They add to this rent, paid to their government and other public bodies, more rent for their private landowners, which, capitalised, is expressed in the soaring land prices we are so often shocked to note in *Land & Liberty*. Thus evidently the value of the land of Great Britain must be such as to far exceed the capitalised value of all the rates and taxes levied in it.

This total value must necessarily be enough, if taxed even moderately, to yield the same revenue as at present, provided the other injurious taxes were abolished. The more so as new opportunities for enterprise and investment would be created by the change, and the need for public charity as well as the cost of collection would be automatically reduced.

Yours faithfully,
PHILIPP KNAB.

Austria.